

The **NATIONAL UNDERWRITER**

PROGRESS

IN ITS **70**TH YEAR IN BUSINESS

1935 promises to be a banner year in the Millers National's long and honorable history, thanks to the loyalty of its agents and the good judgment with which its affairs are administered.

Conspicuous among the reasons for the success of this veteran Company is the fact that it has striven more for safety and solidity than for size alone. Its investment policy is fundamentally sound and its business is clean. Age contributes its share. The Millers National is seventy years old, and has made healthy progress each year, adding to its surplus until it has reached its present proportions.

Notwithstanding that it has become a company of nation-wide importance, the Millers National continues to be a company of attractive size. In financial strength it ranks with the very best in the business, yet it is small enough not to lose sight of the individual agent. Its size enables it to know its agents intimately and to work closely with them.

1865



1935

**MILLERS NATIONAL
INSURANCE COMPANY • CHICAGO**

Seventy Years of Service and Security

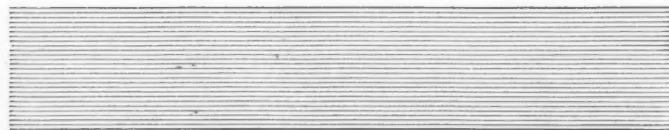
THURSDAY, NOVEMBER 21, 1935



*Y*OUR customers cannot "nail down" their valuables so that burglars or thieves can't steal them.

But you can protect them with a Travelers Residence Burglary policy which pays for what the burglar steals or destroys.

The moderate cost of a Travelers Residence Burglary policy is a good investment in peace of mind.



THE TRAVELERS
 The Travelers Insurance Company The Travelers Indemnity Company
 The Travelers Fire Insurance Company
HARTFORD **CONNECTICUT**

Agency minded cooperating companies.



Note the organization dates—
three of these companies are *over
a century old.*

Age and records of *past per-
formances appeal to the agent*
who is building for the future
with an eye on the past.

(STATEMENTS OF DECEMBER 31st, 1934)

	Capital	Assets	Liabilities	Surplus to Policyholders
*United States Fire Insurance Co..... Organized 1824	\$2,000,000	\$25,384,876	\$11,596,209	\$13,788,667
*The North River Insurance Co..... Organized 1822	2,000,000	18,278,958	7,033,365	11,245,593
*Westchester Fire Insurance Co..... Organized 1837	1,000,000	15,510,408	7,728,138	7,782,270
The Allemannia Fire Ins. Co. of Pittsburgh..... Organized 1868	1,200,000	4,717,134	1,752,730	2,964,404
*Richmond Insurance Co..... Organized 1907	1,000,000	3,908,160	1,443,159	2,465,001
Western Assurance Co., U. S. Branch..... Incorporated 1851	400,000**	3,942,586	1,714,591	2,227,995
British America Assurance Co., U. S. Branch..... Incorporated 1833	200,000**	2,284,313	961,863	1,322,450
Southern Fire Insurance Co., Durham, N. C..... Incorporated 1923	200,000	1,255,531	398,327	857,204

*Company operates under Sections 130-1-2 of the New York Insurance Law.

**Statutory Deposit—New York Insurance Law.

CRUM & FORSTER

MANAGERS

110 WILLIAM ST.

NEW YORK

WESTERN DEPT.
FREEPORT, ILL.

PACIFIC DEPT.
SAN FRANCISCO

SOUTHERN DEPT.
ATLANTA

ALLEGHENY DEPT.
PITTSBURGH

CAROLINAS DEPT.
DURHAM, N. C.

*When
the World
is
in*

FURS

INSURANCE of FURS
*offers to Agents a
Seasonal Stimulus
to their Business*

*Protect your Clients
with an*
**ALL RISKS
POLICY**
in the



COMMERCIAL UNION GROUP

COMMERCIAL UNION ASSURANCE COMPANY, LTD.
AMERICAN CENTRAL INSURANCE COMPANY
COLUMBIA CASUALTY COMPANY
THE PALATINE INSURANCE COMPANY, LTD.

CHICAGO

THE CALIFORNIA INSURANCE COMPANY

THE COMMERCIAL UNION FIRE INSURANCE COMPANY

ATLANTA

THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LTD.
THE BRITISH GENERAL INSURANCE COMPANY, LTD.
UNION ASSURANCE SOCIETY, LIMITED

SAN FRANCISCO

NEW YORK

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 47

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 21, 1935

\$4.00 Per Year, 20 Cents a Copy

N. Y. Would Allow Charter Revision

Propose to Pave Way for Liberalization of Writing Powers

RECODIFICATION PLAN

Department Favors Permitting Domestic Insurers to Alter Charters to Provide Additional Facilities

NEW YORK, Nov. 20.—Appreciating the demand of modern business for broader and more conveniently secured forms of fire and casualty coverage, and in sympathy therewith, the New York department, it is understood, plans preparing a series of amendments to the present insurance laws. If enacted the proposed amendments would permit domestic fire and casualty companies to so alter their respective charters as to allow the granting of all forms of indemnity not specifically provided for in the present statutes. It is assumed this intended step will be preliminary to a recommended further liberalization in the law when the existing code be fully revised.

With the rapid expansion in manufacturing and merchandising practices, the call for up-to-date forms of indemnity became insistent, and eager, as the carriers were to supply it, they found their hands tied to considerable degree by the state laws. If the restrictions or a number of them at least, are removed by the legislature following the recommendations of the department both fire and casualty offices will enjoy a freedom of underwriting opportunity they have not had hitherto, and of which it is certain full advantage will be taken.

Consults Insurance Men

In proposing amendments in recent years the department, after conferring with insurance leaders, usually submitted the initial drafts of its measures to them for criticism and suggestion, and based upon these prepared its final forms. It is assumed such policy will be followed in the future. The step contemplated in New York, if sanctioned by the legislature, will unquestionably influence other states, and a measure of uniformity in company underwriting activities thereby secured.

A trend towards more underwriting freedom is discernible these days. Policies have been broadened considerably in recent years. The comprehensive household policy has been popularized. The proposed Illinois code contains a provision whereunder casualty companies may write fire lines and vice-versa. W. W. Greene, in his presidential address before the Casualty Actuarial Society, said:

"It is pleasing to note that the charter powers of insurance companies is a matter once more attracting consideration."

(CONTINUED ON PAGE 15)

Contingent Commission Is National Problem Today

COMPANY ATTITUDE GIVEN

Must Treat Issue on Uniform Basis—Executives in No Mood to Increase Expenses

With the demand for payment of contingent commissions in ordinary territory developing in various parts of the country, it becomes obvious that this is a national issue. It cannot be treated independently by any one of the sectional organizations because if any extra measure is allowed agents in one state, there can be no sensible objection to putting agents in the other states on the same basis.

Apparently the agents who are demanding payment of contingents are thinking of such allowance as being in addition to their present regular scale.

Increasing Expenditures

The companies today are in no mood to take any step that will increase expenditures. The picture is badly distorted as it is with the loss ratio in the low 30's and the expense ratio in the high 40's. A decrease in rates or increase in commissions serves only to accentuate the distortion. The companies are not unalterably opposed to the payment of contingent commissions, but the price they would demand would be a reduction in the regular scale so that the total amount paid out for commissions would be no greater than it is today.

Company people point out that although good profits are being made today, they are the kind of profits that cannot be used. Salaries that were cut in the depression have not been restored. Some of the companies have paid extra dividends but these have not been large, for the most part.

Luck Plays Big Part

The point is made that whether an agent makes an underwriting profit depends to a considerable extent upon the circumstances of the agent's domicile. In some regions, the character of the people and the character of the construction are such that the chance of profit is good if only elementary underwriting precautions are taken, whereas the same underwriting procedure in another territory will be likely to produce a loss. In an unprofitable state, the chances are that a company might have to pay contingent commissions to more than half of its agents.

Theory Seems Sound

Payment of contingent commissions can be justified in theory. It seems a logical method of rewarding agents for good underwriting and inducing them to pursue a careful course. Several years ago the National Convention of Insurance Commissioners adopted a resolution expressing approval of the contingent commission principle.

Yet the companies cite all sorts of practical objections when the proposal is broached to pay contingents to small and medium sized agents.

Interest in Forthcoming Meeting of State Officials

EXAMINATION ISSUE NOW UP

Executive Committee of the Commissioners Will Report on the Revision of By-laws

There will be special interest in the meeting of the Insurance Commissioners Convention at the Pennsylvania Hotel, New York City, Dec. 3-4. The day previous will be taken up with meetings of committees. Some commissioners expect to arrive in New York City the middle of the week preceding for conferences. The executive committee is to report on the draft for a revised constitution, L. H. Pink of New York being chairman. Many commissioners are very much interested in the examination question. The issue now is whether all states should recognize the convention examination or abandon the plan entirely.

Luncheons Will Be Given

Superintendent Pink of New York has written commissioners inviting them and their wives and staff members to a luncheon Tuesday of convention week as guests of insurance executives and the New York department. Mr. Pink has asked the following to serve as a committee for the luncheon: C. G. Taylor, Jr., third vice-president, Metropolitan Life; J. H. Doyle, general counsel, National Board of Fire Underwriters; J. S. Phillips, chairman of the board, Great American fleet; Lamar Hill, vice-president and general counsel, American Fore group; F. Robertson Jones, general manager, Association of Casualty & Surety Executives; W. H. Pierson, vice-president, New York Life.

Equitable Life Luncheon

The Equitable Life of New York as usual will give its annual luncheon to all in attendance Wednesday of convention week.

The subcommittee of the examinations committee consists of Tobin, Tennessee; Read, Oklahoma; Earle, Oregon; Ketcham, Michigan, and Blackall of Connecticut. This was appointed at the request of the 12 commissioners who met at Memphis, Sept. 14, to study the entire question of examination of companies and report to the New York meeting.

Merkle & Martin Contract

Undoubtedly the tax ferret situation will receive some attention. There has been a great deal of publicity about the contract with Merkle & Martin, accountants in New York City, that have done work for the Texas department in checking up fire and casualty companies and especially fire companies on their taxes. This applies particularly to lines of business written under a general floater contract where there are properties in various states. This firm has a contract with nine states and the charge is limited to \$25 a day covering the entire compensation for all the states interested. It is a multiple examination with a per diem charge for each of two examiners named. A committee of commissioners is supervising the work through the chief examiners of the Virginia and Tennessee depart-

Low Fire Loss Era Brings Warnings

Wise Fire Company Officials Feel Condition Cannot Last Indefinitely

MALLALIEU'S, PINK'S VIEW

Steady Building of Contingency Reserve to Meet Conflagration, Investment Hazards Needed

NEW YORK, Nov. 20.—Fire company officials familiar with conditions are fully aware that by virtue of reduced losses and appreciation in value of securities since Jan. 1, companies almost without exception will close 1935 with a substantial profit; unless a radical change should take place before the end of the year. It is considered advisable for companies to strengthen their financial positions by setting aside special reserves to take care of possible conflagration losses in future, and to offset a break in the stock market.

Carry Special Reserve

Profiting by experience since 1929, most companies now carry special reserve for contingencies, and have increased such funds steadily to fortify against any change, however violent, that might develop in the security market. The need for such a safeguard is felt to be especially strong due to the period of more or less general instability likely to be encountered within the next few years.

Experienced company officials are not misled by the very favorable loss record in the last three years, for they fully realize that the pendulum which has been swinging to the right since 1932, might easily swing the other way to an era of excessive losses.

Mallalieu in Comment

W. E. Mallalieu, general manager National Board, in a recent contribution to "Credit & Financial Management," points out that with returning industrial prosperity, serious fire hazards may develop in manufacturing plants through use of equipment that had lain dormant for a considerable period and for other reasons.

Superintendent Pink of New York also feels that the loss experience of the last three years must not be regarded as a continuing condition, and warns against rate reductions predicated upon any such assumption. Five years is none too long, he maintains, upon which to base an average experience.

This sound position is shared by some other insurance commissioners, but, to the contrary, several have indicated a willingness of late to favor rate reductions because of creditable fire record.

ments, Thomas Moore and Will Harris.

Michigan Agents Propose Repeal of Moot Statute

RESOLUTION IS APPROVED

Inadequacy of State Fund in Covering
State Property Shown; Palmer
and Ketcham Speak

Repeal of the Michigan law requiring insurance of state property in the state fire fund, is urged on Governor Fitzgerald in a resolution adopted at the regional meeting of Ann Arbor and Ypsilanti members of the Michigan Association of Insurance Agents at Ann Arbor. A sketch of conditions of the state fund, which came recently under the spotlight because of the Michigan attorney-general's opinion that the liquor control commission cannot legally insure their \$40,000,000 liquor stock and other property in fire companies but must leave it to state fund coverages was given. The matter had been threshed out in the governing committee meeting during the afternoon, former President J. A. Grow furnishing arguments and figures to establish the contention that the state fund is an imposition on the taxpayers. It was left to him and Past President P. J. Braun of Flint to draft the necessary resolution.

Substance of Resolution

The resolution was adopted unanimously and will be sent to Governor Fitzgerald as expressing the feeling of the Michigan association.

It sets forth that the state fund has never since its inception some years ago had assets exceeding \$750,000, that it is inconsistent and wholly incompatible with the public interest to rely on so small an amount to furnish not only protection of the large liquor control commission property but of the many state buildings, a total value over \$50,000,000. The loss of only one property, it was said, would exceed the entire fund.

Offer Association's Aid

The resolution closes with the recommendation that the governor include the proposed repeal of the state fund statute in his rumored call of a special session of the legislature. The offer is made to facilitate immediate handling of the question that the combined facilities of the Michigan association will be placed at the governor's disposal so a complete survey may be made of all state owned property, and to indicate the insurance required to take care of sound values and cost of proper insurance to cover them.

The resolution emphasized that stock fire insurance companies pay about \$3,600,000 annually to the state in premium taxes.

Palmer, Ketcham Speakers

The meeting was addressed by Insurance Director Ernest Palmer of Illinois, who was visiting there with his son, a University of Michigan freshman, to see the Michigan-Minnesota game. Mr. Palmer did not refer to the proposed Illinois code, but told a few stories. There was a talk on aircraft insurance by J. R. Graham, manager of Aero Insurance Underwriters, Chicago.

President J. W. Mundus, Ann Arbor, opened the general meeting introducing J. F. Haarer, Ann Arbor, who presided. Commissioner J. C. Ketcham addressed the meeting.

Two Changes Among Mutuals

Two changes have been made by the Associated Factory Mutuals. R. E. Manning, district manager in charge of the middle western office at Chicago, is going to Philadelphia as vice-president of the Philadelphia Manufacturers Mutual Fire. His post at Chicago is being taken by J. F. Reed, who for the last two years has been district engineer at

Past President DeVan Critically Ill in Charleston



R. P. DE VAN

CHARLESTON, W. Va., Nov. 20.—R. P. DeVan, former president National Association of Insurance Agents, is seriously ill at his home here. He suffered an attack of heart trouble and his condition is critical.

Mr. DeVan is a former mayor of this city and is owner of one of the large West Virginia agencies.

Toronto. The appointment to fill the vacancy in Toronto has not yet been announced. Mr. Manning has been connected with the inspection department for 25 years, for the last 10 years in Chicago and previous to that at Boston. Mr. Reed has been connected with the inspection department since 1926, first in Chicago for four years, then at St. Louis as district engineer for some time and latterly at Toronto.

Rhode Island Association Holds Annual Convention

E. J. COLE, WM. QUAID SPEAK

Massachusetts Compulsory Automobile
Insurance Has Been Ineffective in
Reducing Accidents, Speaker Says

PROVIDENCE, R. I., Nov. 20.—Compulsory automobile insurance in Massachusetts has not been a factor in reducing motor accidents, according to J. W. Downs, counsel Insurance Federation of Massachusetts, speaking before the Rhode Island Association of Insurance Agents at the 35th annual meeting.

Mr. Downs presented figures, on the other hand, to show that motor accidents have been constantly on the increase since the Massachusetts compulsory auto insurance legislation was put into effect.

The cost of operating an insurance company, both from the home office and the agency viewpoints, was discussed by William Quaid, vice-president of the Home. The speaker defended the expenses of each group as necessary for the efficient operation of the business.

E. J. Cole, past president of the National association, spoke on compensation and M. J. Cummings, chief Rhode Island Division of Banking and Insurance, discussed desirable trends in the insurance field, particularly relating to legislative matters.

All officers of the association were re-elected as follows: President, G. I. Parker; honorary vice-president, G. R. Smith; vice-president, J. F. O'Donnell; secretary-treasurer, E. B. Dane; national councillor, P. A. Colwell. The president will appoint regional vice-presidents and committee chairmen later.

Honors were paid to three members who had died during the past year: M. H. Arnold, C. W. Greene and W. S. Ingraham.

The nominating committee consisted of Chester Newcomb, Clinton Gamwell and Kenneth Allen.

New Corn Certificates Are Now Approved by the CCC

SHORT RATE CANCELLATION

Government Agency Is to Loan 45
Cents Bushel Instead of 55;
Insurance Is Adjusted

The Commodity Credit Corporation has announced its approval of an insurance certificate covering corn pledged for 1935-36 loans which will be the same as last year, except that the amount lent will be 45 cents per bushel instead of 55 cents. Consequently, the certificate will provide for settlement on the basis of 45 cents per bushel in case the market value of the corn at the time of loss is less than that figure, otherwise the market value.

Instructions to borrowers have not been issued as yet, but it is expected that they will provide, as they did last year, for a certificate of insurance to be presented before a loan is made. Loans will commence Dec. 1 and will be due on or before Dec. 1, 1936.

In all probability the rate of 75 cents, in force for the past two years, will be prescribed again, for insurance covering the farmer's interest and that of the CCC.

The underlying errors and omissions policy, protecting the CCC against lapses in specific insurance will be renewed, with the Hartford Fire as the primary company. Participation by other companies is not known as yet, but will probably be the same as last year.

Certificates issued to farmers will be written for a period of one year from the date of issuance, but will be subject to short rate cancellation when the grain is sold or the loan repaid. Since the loans will be due Dec. 1, 1936, and comparatively few certificates are expected to be issued before the first of the year, the bulk of the business will eventually be canceled short rate.

This CCC certificate is different from the certificates provided in September to cover corn, grains and threshed seed pledged under loan plans of the Farm Credit Administration. The FCA insurance certificate provides that at least 60 percent of the actual cash value at the time and place of making the loan will be paid in event of loss, plus accrued interest.

Departments Rule Against Term Instalment Policies

ST. PAUL, MINN., Nov. 20.—In a new statement regarding the writing of term fire policies on the instalment basis, Commissioner Frank Yetka has advised companies writing such policies that they come within his recent order banning such practice.

This is believed to pave the way for a court action on the question, although it is likely an appeal will first be taken to the state commerce commission. It is hardly possible that the commission will overrule Commissioner Yetka and court action then will be the only recourse of the companies involved.

WEST VIRGINIA ACTION

CHARLESTON, W. VA., Nov. 20.—Harlan Justice, deputy commissioner, directed the Merchants Fire of Indiana to desist writing five year policies on West Virginia properties at four times the annual rate and permitting the assured to pay the premium in five annual instalments.

The company then secured from the Kanawha county circuit court an order restraining the department from further interference.

The matter rests until the state attorney-general brings the matter up for further hearing.

The Ohio department issued a similar order which was upheld by the state supreme court.

THE WEEK IN INSURANCE

Virtual end of Missouri rate case is seen as federal court decides to assume compromise settlement is agreeable to all policyholders who don't intervene before Dec. 31. **Page 5**

New York department is framing legislation to permit charter revisions providing for increased writing powers of companies. **Page 3**

J. A. McClelland of Chicago, general adjuster of the Great American group, has been elected president of the Western Loss Association. **Page 5**

Illinois insurance code bill is advanced to second reading in senate. **Page 5**

Wisconsin mutuals hold annual convention and school. **Page 6**

Permanent solution of Philadelphia solicitor question believed reached at meeting of agents and Eastern Underwriters Association committees. **Page 6**

Accord nearly reached on contingent commission basis for Philadelphia ordinary agents at conference with Eastern Underwriters Association committee. **Page 8**

Commodity Credit Corporation approves new insurance certificate covering corn on which CCC loans are made. **Page 4**

Pittsburgh agents give testimonial banquet in honor of President Bair of the National Association of Insurance Agents. **Page 8**

Much interest will be taken in the meeting of the Insurance Commissioners Convention at New York City on the question of company examinations. **Page 3**

Sharp increase is shown in fire losses for October, according to National Board estimates. **Page 12**

Repeal of Michigan law requiring insurance of state property in state fire fund asked in resolution adopted at Ann Arbor-Ypsilanti regional meeting of Michigan agents. **Page 4**

Insurance Commissioner Reed of Kentucky announces a decrease in fire insurance rates ranging from 4 to 35 percent. **Page 22**

The problem of municipal taxes is becoming more and more pronounced. **Page 33**

Study of occupational auto rating plan is urged by S. D. Pinney, Travelers, in discussion at Casualty Actuarial Society meeting. **Page 33**

Commissioner H. J. Mortensen of Wisconsin talked at Wisconsin mutual meeting. **Page 33**

American Arbitration Association discusses its service with casualty men. **Page 32**

Young E. Allison of Louisville, former president and chief editor of the "Insurance Field," has gone to Chicago to become connected with Vincent Gallagher, western manager of the Pearl Assurance. **Page 14**

Association of Casualty & Surety Executives submits brief to District of Columbia authorities requesting that insurance agents be specifically excluded from the terms of the district's unemployment compensation act. **Page 31**

All officers are re-elected at the annual meeting of the Casualty Actuarial Society. **Page 31**

Casualty executives are following closely the steps being taken by lawyers in several states to prevent insurance companies from defending actions in behalf of assured. **Page 32**

Illinois Code Is With the Senate

Some Amendments Were Recommended by the Insurance Committee

ADMINISTRATION HOPEFUL

Excellent Support Is Offered by Some Interests but Powerful Opposition by Others

The Illinois insurance code which was reported out of the senate insurance committee last week without recommendation was put on the president's table and was then advanced to the second reading this week as it reaches the amendment stage. Senator L. O. Williams of Clinton, who is chairman of the committee, asked that the code be placed on the calendar for early action.

Code Not Recommended

Senator Williams at the session last week had a motion introduced that the code be recommended with the amendments that had been adopted by the committee. A substitute motion was offered sending the code to the senate body without action but approving the amendments. This was carried by a vote of eight to four. There was considerable indifference at the hearing last week. The objectionable rating provision for fire and casualty lines was omitted and has been introduced as a separate measure. Senator Keen of Chicago moved to take it out of the code and announced that he would have a separate measure drafted and introduced.

Will Draw Casualty Companies' Fire

However, much surprise was manifested in the adoption of an amendment which is highly controversial and will draw the fire of all casualty companies against the code. It creates direct liability of the insurance carrier to claimant under all liability policies. It brings the company in as a defendant at trials. This is a very drastic change and one which will be fought to a standstill.

The administration forces feel that with the rating measure eliminated the code has a much better chance of passing. Keen observers, however, who are following the hearings closely say that the code is pretty much befogged and they predict that there is not much chance for it to pass. The administration forces, however, are hopeful and are appealing to the legislators to give Illinois a modern set of insurance laws. Notwithstanding the opposition of the fire and casualty organizations, the code has powerful support in many quarters from insurance people. The investment section has been amended so that it will not draw the fire of the National Board of Fire Underwriters as did the previous code.

Amendments to the Code

The code amendments adopted by the senate insurance committee include the following:

The provision giving the state control over fire and casualty rating is stricken out. The sections stricken out are 347-8-9.

A very serious change is made in a new section, 360-a, creating direct liability of the insurance carrier to the claimant under all liability policies. Under this section there is read into every liability or indemnity policy a provision that the company shall be liable to the person entitled to recover

(CONTINUED ON PAGE 16)

Seek to Reconcile Coast Oil Insurance Differences

PACIFIC BOARD TAKES STEP

Committee Appointed at Mid-Year Meeting Confers With Manager Carmichael of Oil Association

SAN FRANCISCO, Nov. 20.—Following a discussion of the oil insurance situation in California and the Coast the Board of Fire Underwriters of the Pacific, at its semi-annual meeting voted to have President Joy Lichtenstein appoint a special committee to attempt to clarify unsatisfactory conditions. It is understood that for several years there has been a difference of opinion between the Oil Insurance Association and the members of the Pacific Board. Rates and some phases of methods of underwriting are said to be involved.

As a result of the board's action at Del Monte, President Lichtenstein appointed the special committee, which met Tuesday with H. M. Carmichael of Chicago, manager of the Oil Association.

The committee consists of E. T. Cairns, Fireman's Fund, chairman; Clifford Conly, Great American and Phoenix of Hartford, Ray Decker, Royal-Liverpool; L. B. Daniels, Seeley & Co.; R. E. Ellis, Rolph, Landis & Ellis; Harry R. Jackson, Atlas, and W. D. Swett, Swett & Crawford.

The board adopted the new National Board loss payment rule.

A recommendation that compensation for reinsurance be increased five points was approved with the condition that this will be confined to those states where authorities have ruled the companies cannot take credit for reinsurance in their tax returns.

Mr. Lichtenstein, made a report on the progress of the conference committee organized to confer with a similar committee of the local agents association. The two recently established branch offices of the board at Fresno and Sacramento were the result of meetings of the conference committees, he reported.

Numerous additional and new demands for service from and by the board is responsible, together with the many reductions in rates for the present board expense ratio, the supervisory committee informed the membership. However, the expenses have been consistently reduced each of the past four years.

Conference and Executive Groups of Agents to Meet

NEW YORK, Nov. 20.—A joint meeting of the executive committee and the conference committee of the National Association of Insurance Agents will be held here during the week of Dec. 1. While the agents will have headquarters at the Hotel New Yorker, they will also have quarters at the Hotel Pennsylvania during the sessions of the National Convention of Insurance Commissioners. In addition to President K. H. Bair, the personnel of the executive committee is: W. O. Wilson, chairman, E. J. Cole, C. V. Davis, A. B. Dunbar, C. F. Liscomb, W. H. Menn, F. T. Priest and S. O. Smith, while the conference committee is made up of: Eugene Battles, W. E. Harrington, W. O. Wilson and A. I. Wolff.

Nebraska Officers Move Up

Inasmuch as George Cowton of Grand Island who has served as first vice-president of the Nebraska Association of Insurance Agents for two years, has succeeded to the presidency following the appointment of Arthur B. Dunbar, Omaha, to the national executive committee, L. C. Simpson of Fairbury, former second vice-president moves up to first vice-president.

Loss President



J. A. McCLELLAND, Chicago

J. A. McClelland of Chicago, general adjuster in the western department of the Great American group, was elected president of the Western Loss Association at its annual meeting this week. Mr. McClelland has had an all-round experience. He started with the old Phenix of Brooklyn as special agent in Illinois in 1910. The Fidelity-Phenix was its successor and in 1918 he was appointed its Oklahoma state agent. He became its general adjuster in Chicago in 1921. Three years later he was appointed St. Louis manager of the Underwriters Adjusting Company. In 1929 he became vice-president of the National Union Fire and in 1931 took his present position. He has been an active factor in the Western Loss Association and was one of the important men who brought about improvement in the automobile loss situation in Chicago.

B. E. Moreau of the St. Paul F. & M. at the head office is the new vice-president of the loss association. W. A. Olsen, Atlas, is secretary-treasurer. F. S. Schoeffler of the Crum & Forster organization in Freeport, Ill., was elected a director to complete the unexpired term of W. H. Gartside, formerly of the Fireman's Fund. E. R. Wilson, America Fore, and Otto Voss, Firemen's of Newark, were elected directors for terms of two years.

No Mystery in Success of Hartford Concerns—Blackall

HARTFORD, Nov. 20.—Commissioner Blackall of Connecticut paid tribute to the Connecticut companies at a meeting recently of the Hartford Board of Fire Underwriters. The pioneer stage in fire insurance has passed, Mr. Blackall said, but, although the danger of conflagration have been reduced, it has not yet been eliminated. "There is not profound mystery to the success of the fire insurance business in this city," he said. "It is the result of hard work, an open-minded approach to constantly recurring problems, and the never-ending desire not only to serve the insuring public but to be of service to the public as a whole."

Leigh White House Caller

J. Gilbert Leigh, president of L. B. Leigh & Company, Little Rock, was a member of the delegation that called at the White House and received from President Roosevelt a promise to participate in the Arkansas Centennial celebration next June.

The H. & K. Realty Company has been organized in St. Louis by M. R. Hentschel, E. M. Kroeger, O. H. Hentschel and W. L. Kroeger. It will handle insurance.

See End of Rate Case in Missouri

Federal Court Assumes Settlement to Be O. K. Except for Intervenor

TO ORDER DISTRIBUTION

Expect State Court to Take Favorable Action—Intervenor Won't Share in Settlement Benefits

KANSAS CITY, Nov. 20.—The second phase of the 13-year-old fire rate litigation in Missouri was brought a long step toward solution when the three federal judges, hearing the case as it affects 137 companies, handed down a memorandum opinion that it would assume the settlement proposed by Superintendent O'Malley was agreeable to all those policyholders who did not intervene by Dec. 31.

"Within a reasonable time after Dec. 31," the opinion said, "the court will make suitable orders for a distribution of such one-fifth provided for in the settlement to such policyholders as do not intervene" on or before that date.

Rate Cut Not Retroactive

The court denied companies the right to make the new rate schedule retroactive to May 1, and ordered impounded 16 2/3 percent of premiums paid companies from May 1 to Nov. 11, with 2.65 percent interest on May and June impoundings, which are overdue. May and June impoundings are to be paid by Nov. 30, the remainder by Dec. 15.

The court approved the motion of R. M. Sheppard, attorney for a policyholder, to withdraw his petition to intervene.

Fred E. Baldwin was denied the right to intervene for "all other policyholders," but was granted the right to intervene for himself. The court's ruling against "class representation" will, attorneys believe, prevent policyholders from filing group actions to reduce cost of litigation. Policyholders in the same company may join in intervening against it, but a policyholder with policies in more than one company must file a separate suit against each company.

Disavow the Settlement

The court held that policyholders who intervene, in effect, disavow the settlement, and cannot participate in its benefits. Their suits must stand on their own feet.

Attorneys expressed the belief that the federal court would approve its master's report. This is also the belief of Mr. O'Malley, who points out that "in that event the state would have lost the case. Policyholders are confronted with a situation whereby they must pay fees and costs to prosecute suits which they probably will not win; that is, unless the court should do what it rarely does, reverse its master, whose findings were for the companies and against the state and policyholders."

It is hoped the federal decision will be a guide to the state court since the conditions are alike except for litigants.

Approximately \$1,800,000 has been impounded in the state suit, in which 73 companies figure, which now is before the state supreme court. In the federal court there is well over 9 million dollars impounded, and this has earned \$372,273.26 in interest.

There promises to be a number of interventions. Frank P. Dickson and D.

(CONTINUED ON PAGE 12)

Feel Philadelphia Solicitor Question Has Been Settled

REACH BASIS OF AGREEMENT

Committees of Agents and E. U. A. to Draw Up New Qualification Rule Along Lines Decided

PHILADELPHIA, Nov. 20.—Although the new qualification rule for solicitors has not been approved, members of the Philadelphia committee of the Eastern Underwriters Association and the committee of the Philadelphia Insurance Agents Association attending the recent conference are confident the solicitor question has been settled for all time in Philadelphia.

At a previous meeting the agents proposed an amendment to by-laws of the Philadelphia and Philadelphia Suburban Underwriters' Association defining "solicitor," and eliminating those "engaged or employed in the business of banking (including also trust companies), building, manufacturing, or any mercantile pursuit, law or other professions or vo-

cations foreign to insurance" from qualifying as solicitors. The rule was made retroactive in that all solicitors "at present existing or hereafter appointed are required to qualify."

It was a hastily drawn draft and presented merely in rough fashion the idea of agents. Companies asked for postponement so they could gather necessary data showing how they would be affected if the rule were adopted. The companies presented this information in frank manner at the last meeting, and, together with most of the agents present, took exception to wording of the amendment on the ground it was vague and indefinite in places.

It was decided to appoint a steering committee of four to draw up a new qualification rule for solicitors, the E. U. A. and agents each to appoint two members. If this rule is drawn up soon, it can be voted on at the postponed annual meeting of the Philadelphia Board; otherwise, it will have to go over to the next quarterly meeting in February. It is believed the new rule will exempt present solicitors until expiration of their present license, at which time they will have to qualify.

It is estimated that no matter what plan is devised, it will take at least a year to put it into operation. A vast

amount of work will be entailed in checking the 8,000 to 10,000 solicitors now in Philadelphia and weeding out those ineligible under the new amendment.

There is a general feeling here that when the solicitor qualification is adopted and approved by the insurance department, Commissioner Hunt will make its application state-wide. In view of the department's attitude in sponsoring legislation to eliminate the "unfit" from the business, it is also believed he will adopt the rule as a basis for licensing solicitors for all companies.

Hail Volume Is Doubled

The premiums nation-wide for hail insurance on growing crops during the 1935 season amounted to between \$3,000,000 and \$4,000,000, the advisory committee of the Western Hail Adjustment Association discovered in reviewing the experience during the meeting in Chicago last week to prepare recommendations for the annual meeting of the Western Hail Association Dec. 3. The volume this year was more than double last year's production and the companies made a profit. Very few rate or rule changes are being recommended.

Wisconsin Mutuals Discuss Progress at Annual Meeting

SALES PROBLEMS REVIEWED

Insurance School Is Feature of Gathering—Cooperation in Securing Public Lines Urged

Over 250 agents and company officials attended the annual convention and insurance school of the Wisconsin State Association of Mutual Companies in Milwaukee. Reflecting "progress" as the convention theme, President Henry Weibrecht, Milwaukee, secretary Badger Mutual Fire, said he believed that practically all mutual companies and agents have made gains but deplored the lack of full cooperation. "There have been several cases where mutual companies might have landed a line or a portion of it on school district or city properties but for a lack of a united front," Mr. Weibrecht said.

Keep Posted on Coverages

President Weibrecht admonished the agents to keep posted on the additional coverages and their costs, advising them to be alert and always ready to offer the assured additional coverage as it becomes available and feasible. He told of the new supplemental contract.

"Why Mutual Insurance?" was discussed by Ambrose B. Kelly, American Mutual Alliance, Chicago, and mutual underwriting from the agents' viewpoint was reviewed by Emmet V. Thompson, president National Association of Mutual Insurance Agents, St. Louis. The insurance requirements of the Home Owners' Loan Corporation that fire insurance equal the amount of loan and sufficient to cover the replacement value of buildings, were explained by J. R. McQuillan, Wisconsin HOLC manager.

Predicts Further Devaluation

To meet the enormous expenditures of the federal government, further devaluation of the dollar was predicted by H. P. Janisch, vice-president Lumbermen's Mutual Casualty, Chicago, in speaking on "The Relation of Insurance to Government."

In discussing local agency advertising H. B. Shier, president Reitan-Lerdahl & Co. agency of Madison, Wis., said emphasis should be on the form of insurance rather than any individual mutual company. Strategy in selling insurance was illustrated by numerous examples of successful agents by F. C. Jesse, of Bubolz-Jesse Mutual Agency of Appleton, Wis. Commissioner H. J. Mortensen of Wisconsin gave the principal talk at the banquet.

The second day was devoted entirely to the mutual insurance school. Leaders were Junias Pleuss, secretary Manitowoc Mutual Fire; Charles Vande Zande, secretary Campbellsport Mutual; L. W. Schlieder, secretary Sheboygan Falls Mutual; R. L. Jacobs, assistant secretary Citizens' Mutual Fire of Janesville; H. P. Otten, Opgenorth Bros. Agency, Milwaukee; Erwin Albrecht, Albrecht Agency, Oshkosh; John Krenzke, of the Krenzke Agency, Racine, and H. A. Trudell, Mongin Agency, Green Bay.

The annual business meeting will be held Dec. 11.

To Invite Commissioners

GRAND RAPIDS, MICH., Nov. 20.—A bid for the June meeting of the Insurance Commissioners Convention is to be extended by this city, it was revealed during the past week. Commissioner John C. Ketcham of the Michigan department will convey Grand Rapids' invitation when he attends the commissioners' sessions in New York next month. The Michigan State Life Underwriters Association has scheduled its annual convention for this city at about the same time and it is hoped that the meetings can be entertained concurrently.

SPRINGFIELD SPOTLIGHTS

for

1935

Jack Frost is your guest—but watch him! He is full of tricks, and at times pretty cold-blooded, particularly when he gets to playing around with sprinkler systems. The best way to safeguard against his destructive antics is to see that all your clients and prospects who need it, have adequate

SPRINKLER LEAKAGE INSURANCE

The "Springfield Group" was one of the first to write this form of coverage. It is one of the best in which to write it today. If you want assistance in selling it, get in touch with your "Springfield Group" Special Agent, today.



THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES
SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00
SPRINGFIELD, MASSACHUSETTS
GEORGE G. BULKLEY, President

Harding & Linsinger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Pindley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts
SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts
MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan
NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



AVOID CONFUSION!

Sell your clients the America Fore Combined Automobile policy and give them complete protection in one policy.

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

"Are you prepared for this?"

asks the Alliance National advertising for November, showing a picture of an automobile collision in the making. With the widespread public interest in reducing accidents, this timely Alliance message brings home to motorists the value of dependable Collision protection, telling the reader, as always, to

"ASK THE ALLIANCE AGENT"



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch St., Philadelphia
Chicago Office: 209 West Jackson Boulevard
San Francisco Office: 231 Sansome Street

Near Accord on Contingent for Agents of Philadelphia

GREAT PROGRESS IS MADE

Bair and Thomas After Conference
Between Companies and Agents
Are Optimistic

PHILADELPHIA, Nov. 20.—That the announced intention of the companies to reach a closer understanding with agents is more than a mere gesture was brought home last week at the all-day conference in Philadelphia of a committee representing the Eastern Underwriters Association and the conference committee of the Pennsylvania Association of Insurance Agents on the question of a contingent commission for agents of the Pennsylvania ordinary department.

The apparent willingness of companies to do what was right and their open-mindedness in listening to arguments and being willing to be shown, caused much favorable comment from the agents.

Bair Comments on Progress

K. H. Bair, of Greensburg, president National Association of Insurance Agents, who attended the session as a member of the Pennsylvania agents' committee, remarked at its conclusion: "More progress was made at today's meeting than in any of the many meetings—and I have attended quite a number in the last 15 years."

The contingent question was not settled at the conference. But, J. M. Thomas, president National Union Fire and chairman E. U. A. committee, and Mr. Bair, who were spokesmen, declared after the session, it was not expected an agreement would be reached at the first meeting, but considerable progress was made.

The subject is complicated and must be studied carefully before any agreement can be effected. However, the consensus was that the meeting laid the groundwork for amicable discussions in future.

Companies to Collect Data

Messrs Thomas and Bair pointed out that it would be necessary to assemble considerable data in order to deal intelligently with the contingent commission question in Pennsylvania. This data the companies will collect and study. A further meeting will be held in about 30 days, probably in Philadelphia.

At present only agents in the excepted territory—Philadelphia and Pittsburgh—receive a contingent. Agents in ordinary territory also receive a lower commission scale than that paid excepted territory agents. The ordinary department agents are asking for a 10 percent contingent.

There are, of course, many arguments to be offered by the companies, one being that to meet the demand would leave the companies open to similar demands from other territories. It is also contended that to save his contingent with one company, an agent might throw all his poor business to the company where his contingent has already departed. It is understood, however, the companies admitted the agents might have some grounds for their demand.

Means Better Selection

It is also said the agents will contend that payment of a contingent will lead to better, rather than poorer, underwriting by agents.

It is reported the agents may offer several alternate proposals, one to lump all of an agent's business, the contingent being paid on the whole rather than to segregate business of each individual company. In this way, it is argued, agents would be kept from dumping bad business onto companies where their experience has been bad.

Bair Sees Trouble Ahead Unless There Is Accord

SPOKE TO PITTSBURGH AGENTS

Pennsylvania Insurance Commissioner
Gave an Address at the
Testimonial Banquet

President K. H. Bair of the National Association of Insurance Agents at the Pittsburgh dinner in his honor declared the insurance business is on the verge of the greatest commission and rate war in history unless current problems are met courageously and promptly. Added cooperation is a crying need between the companies and the producers, he warned, and if both sides have the proper committees and these are permitted to function properly matters will come out all right. This is indicated somewhat by developments within the last 90 days, he opined.

The matter of legislation also can be handled much more successfully in all the states if committees of both of the companies and agents work together he declared.

Heretofore, Mr. Bair said, the attitude of the companies often has been that there is too much legislation already and more is not wanted. Instead, he declared all legislation should not be opposed and constructive laws should be sought.

Dinner for President Bair

More than 200 insurance men gathered in Pittsburgh Monday to honor Mr. Bair.

James W. Henry, general agent for Aetna Casualty and president Pennsylvania Association of Insurance Agents; Frank Moses, manager-secretary of the Pennsylvania Association of Insurance Agents; Owen B. Hunt, insurance commissioner for Pennsylvania, and Mr. Bair spoke. Albert Supplee, Pittsburgh office manager for the United States Fidelity & Guaranty, was toastmaster. Praise of Mr. Bair and his leadership in the statesmanship of the insurance business was expressed by the speakers.

Commissioner Hunt gave an exposition of the federal security act as it will affect the insurance business, and said that the institution of the public school system long ago and of workmen's compensation more recently drew the same criticism from reactionaries as social and economic security legislation is bringing today.

Insurance Leadership

Hailing the leadership of the insurance business during the years of depression, he declared that it far exceeded banking and industry in its resistance during crisis. Insurance bears eight or nine times the relative burden of taxation that industry bears, he said that a survey his department is currently conducting will show.

He urged that the organized agents interest themselves in the enabling legislation to be considered next year.

Another suggested plan is to pay contingent upon experience of the entire state. This proposal however, if it is made, is expected to be opposed by many agents on the grounds they always have been careful in underwriting and should not be made to run the risk of suffering a loss of the contingent due to poor selection of risks by other agents.

Situation Found Serious

The situation in Pennsylvania ordinary territory is acute at present. Most agents are restless. Many old, established offices are in committee. Many agents are finding it hard to make a living. Too many are making about \$1,500 a year. To further complicate the matter, they see other agents representing non-board companies being paid not only a higher commission scale, but also a contingent. In view of this, it is felt the companies will offer a compromise on the contingent demand.

*An Agency-Minded
Casualty Company*



managed by seasoned casualty
and surety men whose familiar-
ity with today's sales and underwriting
problems is translated into intelligent
and helpful agency service. From Coast
to Coast, the policies of Fireman's Fund
Indemnity Company are known as bonds
of security

backed by

STRENGTH
PERMANENCE
STABILITY

Fire · Automobile · Marine · Casualty · Fidelity · Surety

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company — Occidental Insurance Company

Home Fire & Marine Insurance Company

Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

NEWS OF FIELD MEN

H. A. Blume Dies Suddenly

State Agent of the London & Lancashire Group Had a Sudden Attack of Appendicitis

Herman A. Blume of Omaha, 44 years of age, state agent of the London & Lancashire group in Iowa and Nebraska, died Tuesday of this week in a hospital in his city where he was taken Friday midnight for an emergency operation. It was found that his appendix had burst, peritonitis set in and there were three emergency operations. Mr. Blume was stricken at Hastings, Neb., where he was on a trip and was driven to Omaha by Lou W. Clark, Omaha general agent, who was Mr. Blume's predecessor in the field.

Mr. Blume started with the London & Lancashire as an office boy in the western department at Chicago in 1906 under Manager C. E. Dox. He was promoted to various positions and became an examiner. On his return from the war he was sent to Michigan as spe-

cial agent to assist the late State Agent A. C. Gilbert. When Lou Clark resigned in Iowa and Nebraska, Mr. Blume was shifted to that territory.

Indiana Blue Goose Meeting

Large Flock of Goslings Is Initiated—Several Notables Present at Indianapolis Gathering

INDIANAPOLIS, Nov. 20.—The largest flock of goslings in the history of the Indiana Blue Goose were given their first swim. In a ceremony with all officers and guards in full regalia, H. R. Underwood, Columbus, O., deputy most loyal grand gander for Indiana, Ohio and Michigan, gave the obligation and R. W. Hukill, Cincinnati, grand guardian, delivered the charge. Also present from the Ohio pond was J. H. Burlingame, Jr., Cincinnati, past most loyal gander of that pond.

L. B. Moore, Slaymaker, Merrell & Locke, drew the door prize, a 17-pound goose, which entered into the initiatory

ceremonies. G. L. Heinz, most loyal gander, presided. E. R. Hubbell, special agent Royal group, headed the committee responsible for the record number of applications.

In addition to the 31 new members, applications of 8 more unable to attend had been taken and they will be passed upon later. Fourteen former members were reinstated and 4 were received by flight.

Future of Insurance

Owen Cunningham, Des Moines attorney, addressed the Iowa Blue Goose at Des Moines, speaking on "The Human Side of Insurance." Insurance, he said, deserves to be among the outstanding professions. He forecast the time when insurance would be among the prescribed courses in leading universities and colleges. As a profession, he said, insurance offers opportunity for specialization, based upon a general knowledge of business and a good education.

San Francisco Pond Active

Percy V. Long, assistant general counsel of the National Board at San Francisco, authority on the constitution of the United States, addressed the San Francisco Blue Goose on "The Making of the Constitution." Jay W. Stevens,

chief of the fire prevention bureau of the National Board and state fire marshal of California, presided.

Plans are being made for a ceremonial dinner and show in celebration of the 15th anniversary of the San Francisco pond Dec. 6. Meanwhile the pond is engaged in an intensive membership drive with a goal of 500 to make it the largest in the United States or Canada. At present the membership is 424, a net increase of 33 since June 30 of this year, according to Elmer W. Bonstin, vice-president Pacific National Fire, most loyal gander.

Gets Michigan Plus Ohio

Dennis C. Smith, who has had supervision of the farm business of the America Fore companies in Ohio for several years with headquarters at Columbus, has been made farm state agent in charge of both Ohio and Michigan. He is assisted in Michigan by E. D. Cameron who has been appointed special agent for the farm department and is located at Jackson. Mr. Smith was formerly a farm special agent for these companies in Indiana and Kentucky.

Traveling for Equity Fire

R. R. Hufstader, Iowa state agent of the Equity Fire of Kansas City with headquarters at Des Moines, will have western Illinois in addition to Iowa. He was with the Great American for four years. His last position was superintendent of agents for the Iowa National Fire for six years.

Colvin with Morrison

Changes in his Kansas and Iowa field representation have been announced by John K. Morrison, Omaha general agent. R. N. Colvin, Topeka, who for over four years has traveled Kansas for the Miller-Studebaker General Agency, Topeka, has assumed charge of Morrison's business in Kansas. John Carney, who has been traveling Kansas for Mr. Morrison, has been moved to Omaha and will travel Iowa and Nebraska.

Owen to Seek New Connection

E. L. Owen, who recently resigned as manager of the mountain states department of the General of Seattle group at Denver covering Wyoming, Colorado, New Mexico and west Texas, is now liquidating the estate of D. E. Atwell of Denver and the D. E. Atwell Agency for Mrs. Atwell. On the completion of this work he will seek another insurance connection. Prior to going to Denver Mr. Owen was special agent in the northwest for the General with headquarters at Spokane.

R. F. Beckwith State Agent

R. F. Beckwith has been appointed New Jersey state agent for the Yorkshire and its affiliates, the London & Provincial and the Seaboard Fire & Marine.

Hjermstad Montana Head

S. L. Hjermstad, state agent for American Fore group, was elected president of the Montana Special Agents' Association at the meeting at Great Falls; Milton S. William, special agent North America was elected vice-president and C. V. Templeton, Jr., Aetna Fire was reelected secretary.

The Montana Blue Goose opened their fall season with 30 members present. Most Loyal Gander Wilbur Quick presided, assisted by James Mack, welder.

Ashcota Tribe Meets

The Ashcota tribe, veteran field men's organization in Iowa, held a memorial meeting in Des Moines to take notice of the recent deaths of four members: Chief J. D. Carpenter, Asa Hall, R. W. Miller and F. B. Phillips.

W. M. Palmer, Des Moines, was elected chief and E. S. Phelps, Burlington, was selected assistant chief.

NOW IS THE TIME

... and here is the tool!

THE EASIEST time to sell Net Earnings Insurance is when the prospect is doing the largest amount of business. It is then he can be made to realize most fully the dire consequences attending any enforced interruption of business.

Yet at such a time he can little afford annoying detail even for Insurance protection that he really wants. With this in mind, we have prepared a simplified Net Earnings Work Sheet which draws forth the information necessary to writing such a contract without irritating the prospect.

The accelerating business of the Holiday Season and the promise of a brisk Spring trade show *the time is here*, and so we offer to our Agents and prospective Agents this tool which means more business at little effort. Write for a sample of this new Work Sheet—or our entire Net Earnings Sales Service, if you do not already have the component parts.

BY THE FIRE COMPANIES
OF THE AMERICAN GROUP

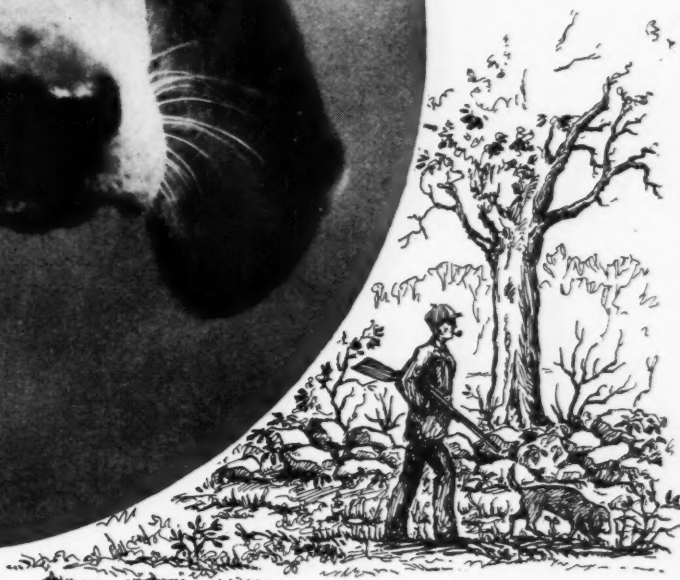
A Simplified
**NET EARNINGS
WORK SHEET**

by
THE AMERICAN GROUP
NEWARK, N. J.

THE AMERICAN OF NEWARK

THE COLUMBIA FIRE OF DAYTON

DIXIE FIRE OF GREENSBORO



Hound and Horn

CRISP autumn mornings, frosty woodland trails, a pack of hounds hot on the scent, a covey of feeding birds, the sharp crack of a hunter's gun!

Some of your clients with sporting blood in their veins may be doubtful shots but good prospects.

Every sportsman needs the protection of Accident insurance and Sports Liability insurance. Equipment used on hunting trips such as guns, cameras, camping outfits, luggage, clothes and other articles calls for Personal Effects insurance. Practically all casualty and surety, fire and allied lines are written by the Ætna Fire Group of companies.

The Ætna Fire Group, Hartford, Conn.

NEW YORK

CHICAGO

SAN FRANCISCO

CHARLOTTE, N. C.

ÆTNA INSURANCE COMPANY - THE WORLD FIRE AND MARINE INSURANCE COMPANY
THE CENTURY INDEMNITY COMPANY - - PIEDMONT FIRE INSURANCE COMPANY

Insurance Should Be Sold As a Commodity

CINCINNATI, Nov. 20.—Too many policyholders are apt to regard insurance premiums as a waste of money if they go along for several years without collecting for any losses, according to William Quaid, vice-president of the Home, who addressed the Cincinnati Fire Underwriters Association. This attitude could be checked by putting insurance in a different light, he said. It should be sold as a definite commodity—protection—rather than as an indefinite, intangible thing.

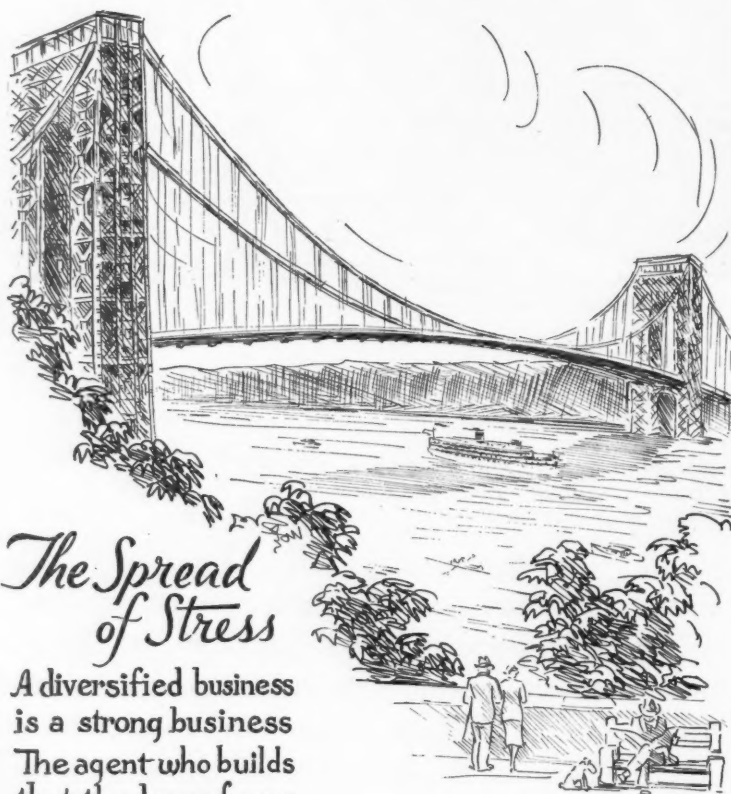
Mr. Quaid cited his method of handling such an attitude on the part of a personal acquaintance. "You have a complete sprinkler system in your plant," he told him, "and you do not complain because a head has never been opened by a fire." When the friend agreed, Mr. Quaid said that insurance premiums buy protection just as much as the money spent for sprinkler systems. Further than that, in case of fire, insurance puts the business back where it was, which a sprinkler system cannot do.

A policy is only a piece of paper, Mr. Quaid went on, while insurance is protection. And because prospects are more apt to want to buy protection than

a piece of paper, they should be sold from that angle.

Another stumbling block in insurance selling is the use of the word "rate." Mr. Quaid pointed out that it is much more effective for the agent to tell his prospect that he can furnish him a certain amount of protection on a piece of property for a certain amount of money, rather than to say the insurance would cost a certain percentage of the value. Most business men understand the actual dollars-and-cents price for protection, while the percentage basis confuses them and adds to their sales resistance and inspires them to try to beat down the charge.

Saying that the present trends appear to be toward the reduction of competition in business and an increase in social security, Mr. Quaid said that the former is not too greatly to be desired, as competition is a fundamental condition of living. It should, however, be kept on a high plane. "No business," he also said, "is as social in its aspects as insurance." Insurance helps all men preserve what they themselves have created, and is a help to the individual in maintaining his security. Mr. Quaid always has an inspiring message.



The Spread of Stress

A diversified business is a strong business
The agent who builds that the loss of any one line or the poor experience of any one class shall not seriously effect his income, builds well.

Will Wroughton
Field Correspondent

THE YORKSHIRE
INSURANCE CO. LTD.
LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD.
SEA BOARD
FIRE & MARINE AND THE
YORKSHIRE
INDEMNITY CO. OF N.
90 JOHN STREET
NEW YORK CITY

See End of Rate Case in Missouri

(CONTINUED FROM PAGE 5)

W. Witmer are soliciting "policyholders desiring the return of excess premiums paid by them the past five years" through the "Policyholders Committee." They are being represented by W. G. Lynch, F. M. Kennard and W. J. Gresham. Dickson's office said it had received over 50 names with policy listings the first day their advertisement appeared.

The Insurance Agents' Association sent members a digest of the decision, particularly with respect to intervention, in order that agents asked by policyholders regarding intervention can properly advise.

A mass meeting of Kansas City agents to discuss the problem of introducing the new fire rate schedule which became effective Nov. 11, revealed that most agents will offer to cancel existing policies and rewrite at the new rate. Agents, however, expect few assured, except larger risks, to request the change, inasmuch as on most policies the saving would amount to only a few cents and would require the assured to buy insurance for the period named in the original policy.

The meeting, called by the Insurance Agents' Association, was presided over by D. B. Childs.

RETURN PREMIUM PLAN

The Missouri Inspection Bureau has sent the following instructions to agents on return premiums and cancellations:

"Upon cancellation 34/35ths only of return premiums shall be paid or credited on policies effective prior to Nov. 11, 1935. Federal Court Companies only.

"The court has ordered the companies to make their impoundings record as of Nov. 10, 1935, and therefore the companies cannot take credit for any cancellations or transactions after Nov. 10. In consequence upon all fire and windstorm policies, effective prior to Nov. 11, 1935, and subsequently cancelled, rewritten, endorsed or transferred, any amount paid or credit by you to policyholder as return premium should be 34/35ths or 97.143 percent of pro rata or short rate return premium calculated in the customary manner.

Should Give Explanation

"Explanation should in each case, be made to the policyholder that the remaining 1/35th is impounded for him in court and will be paid to him by the court when distribution is made by them.

"The explanation for your information is that the 16 2/3 percent excess charge is 1/7th of the entire premium on policies written prior to Nov. 11, 1935; 1/5th of such excess collection will, under court orders already made, be returnable to policyholders. Such amount therefore is 1/35th of the premium.

"The agent should clearly indicate in his report to his companies those policies where 34/35ths only of the return premium has been allowed this policyholder.

Prompt Action Asked

"The agent should make report of all his fire and windstorm transactions to and including Nov. 10, and have it in the companies' hands promptly so that the company accountants will have necessary facts to file their account with the court, the time for which is limited."

Transactions subsequent to Nov. 11, the companies are advised, are the matter of adjustment between the companies, their agents and their policyholders and not the concern of the court and its custodian.

Company attorneys advise that no action is required by any policyholder to secure the refund to which he is entitled

Fire Losses Show Sharp Increase for October

NEW YORK, Nov. 20.—The aggregate fire losses of the country during October, the National Board reports, were \$19,785,871, an increase of 18.9 percent over those of the preceding month, and an advance of 8.5 percent over the October, 1934, record.

While an increase in losses is looked for each year with the advent of the fall season, the nearly 19 percent increase last month over that of September jarred the fraternity, who did not figure on any such percentage. The severe cold weather in some of the western and northwestern states last month, is held accountable for a number of the fires, a condition that did not obtain throughout the east nor upon the west coast, where the weather was unusually mild for the period.

For two consecutive months, September and October, the losses were greater than for the corresponding periods in 1934. Executives will follow carefully the figures for the next month or two, as the turning point may have been reached and an upward trend set in.

The loss for each of the ten months of the year, as well as for those of the years 1933 and 1934, and totals for the ten months periods is:

	1933	1934	1935
Jan.	\$35,547,565	\$28,002,583	\$23,430,504
Feb.	36,661,481	31,443,484	25,081,025
March	35,321,248	31,312,359	24,942,703
April	27,825,970	22,028,943	23,267,929
May	24,338,714	25,271,459	21,238,205
June	21,578,609	20,005,692	18,499,675
July	20,004,049	19,484,027	19,293,619
Aug.	23,626,505	19,613,146	18,137,060
Sept.	20,447,571	16,243,870	16,641,882
Oct.	21,465,382	18,236,272	19,785,871
Tot.	\$266,817,094	\$231,641,835	\$210,339,073

under this settlement which amounts to 20 percent of the impounded money. The money will be sent to policyholders by the custodian shortly after Dec. 31. The custodian has a record of the amounts involved, addresses of policyholders, and all information enabling him to make such refunds.

Don't Need Lawyer

No policyholder need employ a lawyer or incur any expense to secure his money but it will be sent to him free of any expense on his part unless he elects not to accept the money provided in the settlement in which event he may employ lawyers and carry on the litigation for himself alone. The advantage or disadvantage of the settlement can not be tried by a policyholder who rejects the settlement. A policyholder who does not accept the settlement will have the burden of carrying on the suit, which as to him will rest on whether the Missouri experience of the particular company in which he carried his insurance was profitable or unprofitable for the period of years prior to 1930. The expenses incident to litigation will probably cost the policyholder who continues the litigation more than the amount of his impounded premium, and "in our opinion will result in his recovering nothing whatever and having his expenses and costs to discharge in addition. He cannot so proceed and have any benefits of the settlement."

"We believe policyholders are badly advised who do not accept the payment which will be sent to them by the court early in 1936, which they may secure by merely taking no action of any kind."

D. F. Broderick's Expansion

In referring to the expansion of the agency of D. F. Broderick of Detroit, mention was made of the fact that he had secured the Commercial Credit Company business. The account that was gotten was the Commercial Investment Trust.

Mechanics Would Withdraw

The Mechanics of the Firemen's group has applied to the Washington department for permission to withdraw from that state.

PUBLIC ENEMY

No 2

Motor Accident

COMMON ENEMIES TO GUARD AGAINST

- | | |
|-------------|------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR | 10 MARINE |
| ACCIDENT | DISASTER |
| 3 WINDSTORM | 11 RAILROAD |
| & TORNADO | WRECK |
| 4 PERSONAL | 12 FALLING |
| ACCIDENT | AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE | 14 RIOT or CIVIL |
| CLAIMS | COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |



In these days of crowded highways and fast motor cars it takes but a **SPLIT SECOND** of carelessness or poor judgment to cause accidents so tragic as to mar all the rest of life. Suffering, disfigurement, death are but a few of the **DEMONS** hidden in the split second that divides safety from calamity. Insurance can guard against financial loss but nothing can alleviate the endless regret at some needless disaster caused by carelessness.

LOYALTY GROUP

Firemen's Insurance Company of Newark, N.J.
The Girard Fire & Marine Insurance Co.
The Mechanics Insurance Co. of Philadelphia
Superior Fire Insurance Company
The Metropolitan Casualty Insurance Co of N.Y.

ORGANIZED
1855
1853
1854
1871
1874

Milwaukee Mechanics Insurance Company
National Ben Franklin Fire Insurance Co.
The Concordia Fire Insurance Co. of Milwaukee
The Capital Fire Insurance Company
Commercial Casualty Insurance Company

ORGANIZED
1852
1866
1870
1886
1909

WESTERN DEPARTMENT
844 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
451 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT
220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.
912 COMMERCE STREET, DALLAS, TEXAS

AS SEEN FROM CHICAGO

P. W. COLLINS LENDS A HAND

Philip W. Collins, partner in the Chicago class 1 agency of L. C. Rollo & Co., is now giving a hand in handling the correspondence of Publisher Frank Knox of the Chicago "Daily News" evoked by the fact that Knox is being mentioned as a prominent candidate for nomination for president by the Republican party. Offices have been set up in the Hotel La Salle, Chicago, to handle this correspondence. E. A. Hayes, former national commander of the American Legion, is in charge and he is assisted by Mr. Collins.

Although Mr. Collins has been close to the present Democratic state administration in Illinois, he is known as a Republican and served on the Illinois commerce commission under a Republican administration.

NEW WATCHMEN'S BOOKLET

An interesting booklet on the maintenance of watchman service has been prepared by the American District Telegraph Company. A watchman is in charge of the average business and industrial premises 68 percent of the time and his work may be impaired by the hazard of isolation. Investigation was made of 188,405 watchmen and the results are tabulated in the booklet, which is well illustrated with watchmen's photographs. Copies may be obtained from R. E. Maginnis, A. D. T. engineer, 29 South La Salle street, Chicago.

ADJUSTER ALLEN IS DEAD

C. L. Allen, well known Chicago adjuster, died of a heart attack at his home. He was active up until a few hours before his death, having adjusted a lumber loss two days before. Mr. Allen at one time was connected with the Western Adjustment, and later with Wagner & Glidden. He had been associated with H. H. Herbst & Co., adjusters for the assured in Chicago, for more than 15 years. He is survived by his widow and a son Donald.

ERNEST PALMER TO SPEAK

Ernest Palmer, Illinois director of insurance, will be the speaker before the weekly forum luncheon at the Chicago City Club next Monday noon. His talk will be on the new proposed insurance code.

HOME MEN ON A TRIP

Manager F. H. Cornell of the farm department of the Home of New York and L. H. Bridges, assistant manager in charge of the hail department, are making a trip through Oklahoma, Texas and Kansas in the interest of both departments.

C. F. THOMAS GETS A HAT

Charles F. Thomas of Chicago, manager of the Western Underwriters Association, this week received a new hat. It is a souvenir edition of a 10-gallon hat and is autographed by a large number of Oklahoma field men and other fire insurance men in that state. Mr. Thomas made a talk in Oklahoma about a month ago and he opines that the hat is in the nature of an honorarium.

NEW RATES NEXT WEEK

The new minimum tariff rates in Chicago will be promulgated probably early next week. The Chicago Board, at a special meeting, authorized the executive committee to reduce the rates for risks of the minimum tariff class, which includes residences, apartments, flats, private garages, out buildings, etc. The so-called advisory committee decided upon a new scale that will be officially promulgated in a few days.

The effective date of the new rates is not announced. It will probably be retroactive 60 or 90 days. If it were not

retroactive, policies that have been renewed recently but had not been paid for, would be returned "not taken."

The supplemental contract is also being revised. It will be a one item policy with the provision that all of the constituent items be purchased or none. That will eliminate the necessity for signatures below each item. The rate is to be 12 cents without coinsurance in Chicago, Evanston and Oak Park and 16 cents elsewhere in Cook county. The contents rate is being leveled down to the building rate.

WATERS VISITS SCHREIBER

William A. Waters of Philadelphia, superintendent of the eastern department of the Pacific National Fire, was in Chicago this week visiting W. L. Schreiber, who is state agent for the company in several of the middle western states.

INCREASED PREMIUMS SHOWN

Collection of Chicago fire premium tax by the city comptroller's office for the fiscal year ended June 30 now totals \$305,515, corresponding to a premium income of \$15,275,750, compared with \$295,576 total collection for the previous fiscal year, or a premium increase of approximately \$497,000. Most of the important companies have filed their returns, but there are still a few outstanding. Additional figures not heretofore printed in THE NATIONAL UNDERWRITER are:

	1935	1934	1933
Monarch	27,022	.....	276
Pearl	165,897	59,586	45,812
Caledonian	89,835	95,262	96,563
*N. W. F. & M.	30,371	34,545	26,012
Twin City	17,729	4,187	1,784
Iowa Hdw. Mut.	862	2,098	.....
Minn Impl. Mut.	2,476	4,970	7,035
Badger Mut.	5,123	.....	.....
K. C. F. & M.	3,318	2,934	1,897
Columbia, N. J.	10,754	8,771	4,391
Brit. Amer.	5,369	3,443	6,249
Western Assur.	20,094	13,027	16,249
Richmond Fire.	24,751	22,456	42,600
Allemania	29,004	34,782	24,347
Westchester	107,199	107,723	85,703
North River	64,397	73,139	58,003
American Home.	7,116	267	1,931
*Pacific	95,275	98,255	68,399
New Jersey	6,875	8,933	5,565
Hdw. Mut., Minn.	2,976	.....	.....
*Incomplete.			

AGENCIES IN BETTER SHAPE

Field men traveling in central western territory find that by and large the local agents are in much better shape than they have been during the last few years and are conducting their affairs on a more business-like basis. Those who survived have had many valuable lessons

Young E. Allison Joins Pearl in Chicago Office

Vincent L. Gallagher, western manager of the Pearl-American fleet, announces the appointment of Young E. Allison as agency assistant in the Chicago offices of the Pearl, Monarch Fire, and Eureka-Security F. & M.

Mr. Allison enjoys a nation-wide acquaintance among local agents and company executives gained from an experience of more than 20 years in insurance journalism. He was formerly with the "Insurance Field" as associate editor in Chicago, San Francisco and New York, and as managing editor and president at Louisville. From 1918-20 he was advertising manager for the America Fore group in New York. Recently he was for a short time with the "Weekly Underwriter" as associate editor.

With the Pearl-American fleet, Mr. Allison will work with Manager Gallagher and Assistant Managers Fred S. Stewart and Fred G. Krueger in making field and agency contacts in cooperation with field men in the western department territory, which embraces Illinois, Indiana, Michigan, Wisconsin and Minnesota.

taught them. They have found, for example, that the extension of undue credit is suicidal. They have put into effect more efficacious methods of collecting premiums. They have established office systems so that they can tell in what condition they are at any time.

The worst feature brought out during the last few years has been a lack of efficiency in making collections and again the spending of money beyond reasonable bounds, thus dipping into funds that really belong to companies. The field men themselves are keeping a keener watch over agency finances and are insisting on balances being paid promptly. The dead line for most companies is three months. If an agent has not made his remittance by that time then representation is suspended unless the field man sees a way out. The more vigilant companies are thus training their agents to be prompt and that forces the latter to watch the payment of premiums more carefully. The present day agents realize that all their transactions must be conducted on a strictly business basis. They have found that there is nothing gained in favoring companies that attempt to appeal to them by extension of credit. This invariably involves them into very embarrassing difficulties.

ROY A. HUNT'S NEW POST

Roy A. Hunt, who recently resigned as vice-president of the "Insurance Index" of Chicago, has joined the "Weekly Underwriter" of New York as vice-president taking quarters in the Insurance Exchange building in Chicago and handling western territory. Mr. Hunt was formerly vice-president of the American Central Life and previous to that was one of the big factors in the "Insurance Field" business department. He succeeds Julian S. Weddell with the "Weekly Underwriter" as Mr. Weddell is giving all his time to the promotion of the "Insurance Post," he taking it over following the death of his father, T. R. Weddell. The "Insurance Post" is being developed as an insurance publication for buyers.

FINAL DIVIDEND PAID

Those who remember the old American General Fire of Chicago will be interested in the distribution of a final dividend of one-eighth of 1 percent. The company went into liquidation in 1926. In January, 1930, a partial distribution of 6 2/3 percent was made. There has been no other dividend to creditors until the present one of one-eighth of 1 percent.

REDMOND AGAIN HEADS BROKERS

R. M. Redmond was reelected president of the Insurance Brokers Association of Illinois at the annual meeting of directors. His second term started auspiciously, the Chicago "Daily News" printing a column article on the editorial page quoting Mr. Redmond and Gail Reed, legislative chairman, freely in regard to the part fire and casualty companies played in killing the insurance code at the last session, and also charging that they were again active in this direction at the special session of the legislature. Copies of the newspaper were on all state senators' desks Wednesday morning. The article caused much comment and was seen as a shrewd effort by the brokers to secure a qualification law.

Other brokers' officers, all reelected, are: Vice-president, Gail Reed, C. A. Berger, A. J. Gallagher and J. A. Mudd, Jr., treasurer, J. C. Shepherd, and secretary, Angus Chassells. Two directors for three year terms were elected, M. E. Cartier and C. E. Freeto. Mr. Reed reported on legislative activities.

R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, will address the Women's Club at Irving Park, a Chicago suburb, next Monday.

F. P. O'Connor of Lima, president of the Ohio Association of Insurance Agents, was in Chicago on business this week.

B. F. Flood of Columbus, O., production engineer for the Royal-Liverpool group, was in Chicago this week visiting insurance people.

Kansas City Association Gives Credit Information

KANSAS CITY, MO., Nov. 20.—In an effort to curb the "free insurance evil," the Insurance Agents' Association of Kansas City has inaugurated a credit information bureau.

"Every agent is forced to cancel policies for non-payment of premium," Merrill Dubach, executive secretary, commented, "and this is an expense even when the policy is cancelled flat. We think a great many assured whose policies are thus canceled are getting free insurance for some time by changing from one office to another."

Each member of the association has been requested to notify Mr. Dubach the name and address of assureds whose policies are cancelled for non-payment. This information is filed and will be furnished any member. If a prospect unknown to the agent applies for insurance, a call will reveal whether or not the applicant's insurance has been cancelled for non-payment.

Auto Finance Developments

Practically All Finance Companies Have Now Made Revisions Due to General Motors Change

Insurance people are following with interest the developments in the automobile finance field following the announcement of the General Motors Acceptance Corporation of its so-called 6 percent plan.

Practically all of the finance companies, both national and local, have adjusted their rates in one way and another to somewhere near the General Motors level.

The latest competitive move pinches many of the very small finance companies, but a good many are pleased at the action taken by the General Motors as it means the elimination of the extra loading that has been incorporated in finance charges, usually amounting to \$10, which is the dealer's so-called "kick-back."

The General Motors publishes specifically how its financing charge is arrived at and there is no margin for this lagniappe for the dealer.

Really 10 Percent Interest

The 6 percent plan does not, in reality, mean that 6 percent interest is charged. The cost is arrived at by adding the amount of the unpaid balance on the automobile plus the conference rate for fire, theft and deductible collision insurance and adding 6 percent on that amount. As a matter of fact, that makes the interest rate about 10 percent, since money loaned at 6 percent that comes back monthly averages 10 percent interest. Heretofore General Motors has been charging 9 percent which was in reality 18 percent interest on the reducing unpaid balance.

The General Motors Acceptance Corporation was the first finance company to demand that the purchaser carry deductible collision insurance. Several of the other finance companies began making the same demand. Now, some of the finance companies are advertising that they do not require deductible collision. They cast the implication that the collision insurance requirement is solely for the benefit of the finance company and is an extra burden upon the assured.

A. G. Cassin Resigns

A. G. Cassin, secretary Globe & Rutgers, and head of the loss department many years, has resigned. Mr. Cassin handled the marine and war risks when the company began writing this line and he also represented the company in negotiations with the mixed claims commission. He served as assistant secretary for some years before being made secretary. He has not announced his future plans.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Nov. 18, 1935.

	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	2.50*	95	98
Aetna Fire	10	1.60	56	58
Aetna Life	10	.60	34 1/2	36 1/2
Agricultural	25	3.00	81	83
Amer. Alliance ..	10	1.00	25	27
Amer. Equitable ..	5	1.00	30	32
American (N. J.) ..	2.50	.50	14 3/4	15 1/2
Amer. Reins.	10	2.50	65	67
Amer. Reserve ..	10	1.00	30	31
Amer. Surety	25	1.00	52	54
Automobile	10	1.00	40	42
Baltimore Amer. ..	2.50	.10	7 1/4	8 1/4
Boston	100	16.00	660	675
Camden Fire	5	1.00	23 3/4	25
Central Surety ..	20	.50	26	28
City of N. Y.				
Ins. (new)	10	1.00	27	28 1/2
Contl. Assur.	10	2.00	42 1/2	45
Contl. Casualty ..	5	.60	20	21 1/2
Continental	2.50	1.20	43 1/2	44 1/2
Crum & For. Com. ..	10	.50	29	31
Crum & For. 8% pfd.	100	8.00	115	..
Fidelity & Dep.	20	1.00	88	90
Fidel. & Guar. F. ..	10	.50	38	40
Fidelity-Phen.	2.50	1.20	44	45
Fire Assn.	10	2.00	75	78
Fireman's Fund.	25	3.00	98	102
Fireman's F. Ind. ..	10	..	34	35
Firemen's (N. J.) ..	5	..	10 1/4	11 1/2
Franklin	5	1.20*	29 1/2	31
Glens Falls.	5	1.60	38	41
Gl. & Rut. (com.) ..	25	..	36	38
Gt. Amer. Ins.	5	1.00	26 1/2	28
Gt. Amer. Ind.	1	.15	7	8
Hanover Fire	10	1.60	36 1/2	38
Hartford Fire	10	2.50*	78 1/2	80
Home (N. Y.)	5	1.20*	35	36
Ins. Co. of N. A. ..	10	2.50*	70	72
Maryland Cas.	1	..	2 1/4	2 3/4
com.	1	..	..	..
Merch. F. Assur.	2.50	1.00	49	53
Monarch Fire	4	..	5 3/4	6 1/2
Natl. Cas.	10	.40	15	16
Natl. Fire	10	2.00	71 1/2	73
Natl. Liberty	2	.30*	8 1/2	9 1/4
Natl. Union F.	20	2.50*	141	144
New York F.	5	.30*	18	19
Northern (N. Y.) ..	12.50	4.00*	197	109
North. F. & M.	10	1.00	21	..
Ohio Cas.	50	4.00	75	85
Pacific Fire	25	3.25*	124	127
Pacific Mutual ..	1.00	..	13 1/2	15
Phoenix	10	2.50*	89	91
Prov. Wash.	10	1.10*	40	42
Security	10	1.40	39	41
Southern Fire	10	1.00	23	25
Sprgfd. F. & M.	25	4.50*	141	144
St. Paul F. & M.	25	7.50*	198	203
Standard Acc.	10	..	6	10
Travelers	100	16.00	635	650
U. S. F. & G.	2	..	11	12
U. S. Fire.	4	1.70*	53	55
Westchester Fire ..	2.50	1.40*	35	36

*Includes extra.

N. Y. Would Allow Charter Revision

(CONTINUED FROM PAGE 3)

able attention. I invite your attention to a treatise upon this subject delivered to the National Convention of Insurance Commissioners by Clarence W. Hobbs in 1923. Mr. Hobbs pointed out the lack of logic in the present arbitrary and non-uniform distinctions between the three classes of insurance companies. The system of permitting one company to transact all classes of insurance business, unquestionably successful in Great Britain, may or may not be appropriate to American conditions, but at least there would seem to be no compelling reason why one company with adequate resources should not be permitted to transact all lines but life. Such a change if adopted generally by the several states would not only enable both fire and casualty companies to serve the insurance public more efficiently and economically; it would stimulate our business through the elimination of vexing uncertainty and costly litigation, simplify the financial structure of numerous company groups, and remove serious discrimination that now exists as between the companies of different states. The importance of this subject is intensified by the restrictions imposed by certain states upon the ownership of insurance stocks by insurance companies, and by the new federal tax upon inter-company dividends."

Charles Edwards Dies

Charles H. Edwards, 79, veteran insurance agent of Middletown, Conn., and adjacent Portland, died suddenly of a heart attack. He had conducted the

Portland agency since 1890 and was head of the Middletown agency of Edwards & Jones from 1896 to 1917.

Approves Survey with Change

PHILADELPHIA, Nov. 20.—The National Association of Insurance Agents has approved the insurance census financed with PWA funds. President Kenneth H. Bair has secured a change in the wording of the questions so that the term "gross commissions from insurance sales" will read "premium income." He has also asked that the agents and brokers be permitted to an-

swer the question dealing with operating receipts confidentially, and mail the questionnaire to headquarters. The census bureau is permitting the change and promises to keep the information confidential.

Changes in Rating Personnel

TORONTO, ONT., Nov. 20.—Following the merger of the previously separate tariff bodies into the Canadian Underwriters Association, which took active effect on Nov. 1, several changes in the senior officers have occurred. Reginald N. Cornish, who had been

with the Canadian Fire Underwriters Association in Montreal for several years, and who had just been appointed acting secretary of the Montreal branch of the new association, died suddenly on Nov. 7; announcement of his successor has not yet been made. C. I. Schofield, manager of the sprinklered risk department; James Leslie, engineer in charge of municipal waterworks and fire appliances, and W. J. McCarthy, chief inspector of the sprinklered risk department, have been retired on pension. Leonard Howgate, who was secretary-treasurer of the C. F. U. A. in Montreal, was retired as of Nov. 1.

"Forty Years THAT WE HAVE BEEN AGRICULTURAL AGENTS"

These words in a letter from one of our good representatives, speak for themselves. More of the letter is given below. And with it is a quotation from a representative of the Empire State. If you would care for more information about either of our companies, we shall be glad to put you in touch with the writers.

To the Agricultural:

"During the nearly forty years that we have been Agricultural agents, we have learned that though the officers of the company change, the policy remains constant, and that policy is based on the realization that the local agent is one of the most important units of a fire insurance business.

"The Agricultural has always dealt fairly and liberally with its agents, giving them every possible assistance in obtaining and holding business, settling losses promptly and fairly, and not quibbling about technicalities.

"It is not remarkable with such a policy that agents have represented the Agricultural for a lifetime, and in some cases the agency has been continued by the second and third generation."

To the Empire State:

"During my long experience as a local fire insurance agent I have represented many companies.

"In reviewing my experience with them I find that the relationship with the Empire State, and their parent company, the Agricultural of Watertown, New York, is recalled with probably the most satisfaction and pleasure. Their financial strength, prompt and courteous service and claim adjustment, unexcelled Special Agent service, promotional help from their advertising department, combine to make it a happy and most satisfactory addition to any agency."

If you are looking for a company that tries to earn and hold a good reputation . . . for a company that supports the American Agency System . . . won't you let us send our nearest fieldman to tell you our story?

Agricultural
Insurance Company.
of Watertown, N.Y.

Empire State
Insurance Company.
of Watertown, N.Y.

Every type of property insurance for industry and the home.

MARINE INSURANCE NEWS

New Legal Liability Cover

Tentative Approval Given by I. M. U. A. Committee to Form for Protection of Furriers

A new inland marine coverage probably will be made available Dec. 1 to company members by the Inland Marine Underwriters Association of New York. It covers furriers' legal liability for loss or damage to customers' furs held in storage, over and above the amount of indemnity under furriers' customers' certificate. The endorsement form, rates and rules were approved by committee for submission to the executive committee for final action.

Each risk is to be graded separately, being referred to the I. M. U. A. committee. The contracts will be issued on an annual basis, the rate depending upon the furrier's estimate as to total value of customers' furs held in storage by him.

The rate tentatively decided on is 50 percent of the annual furriers' customers'

policy rate on the total amount of insurance carried under the legal liability form, with a limitation per garment of 5 percent of the amount so carried. The rate, however, will vary depending upon the nature of the individual risk.

The coverage, it is proposed, is to be given by endorsement to the furriers' policy extending it to cover his common law or statutory liability as bailee for direct loss or damage to his customers' furs, but only while in locations or during transportation covered by the policy. Exclusions are: Liability assumed by the assured under any special arrangement, deterioration, moths, vermin, inherent vice or damage sustained due to any process or while being worked upon and resulting therefrom, war, insurrection, hostilities, rebellion, confiscation or risks of contraband or illegal transportation and/or trade, and loss or damage to new fur stocks held for sale belonging to any subsidiaries or affiliates of the assured.

Insures Doll Palace

Marine Manager M. V. Campbell of the Automobile of Hartford, Chicago, states that the \$435,000 doll house owned by Colleen Moore, movie actress, which she is exhibiting in various cities for the benefit of local charities, has been insured under a scheduled property floater policy, covering practically all risks in the Automobile.

The miniature castle contains 11 rooms, all completely furnished in exquisite detail, with murals depicting various fairy tales in each room. It is complete even to an electric light plant which furnishes current for the tiny light bulbs.

Robert Pratt, agent in the Los Angeles office of the Automobile, wrote the policy.

Byrne Is Made Chairman

NEW YORK, Nov. 20.—J. T. Byrne, Talbot, Bird & Co., was elected chairman, board of managers of the American Syndicate for Insurance of Foreign Hulls, at the monthly meeting. C. C. Macy, Appleton & Cox, succeeds Mr. Byrne as deputy chairman and the following officers were reelected: L. J. Brengle, underwriter; D. C. Anderson, deputy underwriter; E. W. Schuler, treasurer, and N. S. Adams, secretary.

Loss in Florida Storm

NEW YORK, Nov. 20.—The total loss in vessels in the recent Florida hurricane including the freighter "Elizabeth" is estimated at \$650,000. Many of the boats were driven on to the causeway damaging it and it has been suggested that action may be taken by the department of roads against boat owners to recover damages.

Harrison, Lewis on Coast

G. Roland Harrison, marine manager of the North America, returned to Los Angeles where he was formerly located for a brief visit. The first he has made since his transfer to the head office. He was accompanied by L. C. Lewis, marine secretary.

National Agency Committees

The conference committee of the National Association of Insurance Agents will meet in New York at the Hotel Pennsylvania, Dec. 3, and the executive committee will meet Dec. 5.

Death of Rochester Agent

Death on Nov. 17 claimed John J. Culliton, Rochester, N. Y., agent for nearly half a century. He was 79 years of age. He established his business as a young man and continued it until the time of his death. He was active in affairs of the Democratic party.

The St. Louis Cats Meow will hold a dinner meeting this week.

Illinois Code Is With the Senate

(CONTINUED FROM PAGE 5)

damages, in the same manner and to the same extent that the company is liable to the insured, and such liability may be enforced by the person entitled to recover by an action against the company and the insured jointly.

Section 340 is amended to raise the expense limit in burial societies to 65 percent of the premiums or assessments. As introduced the code limited the larger societies to 50 percent expense, the dividing line being 10,000 members.

Section 24, on the kinds of insurance mutuals may write, is made a little stiffer. In the code as introduced, a mutual needed to add only \$25,000 of surplus for each kind of casualty and surety insurance it desired to write. Under the amendment the \$25,000 requirement is left in, but no company with less than \$100,000 aggregate surplus is allowed to write vehicle insurance, public liability or workmen's compensation, while \$300,000 surplus is required before a mutual can write fidelity and surety.

Changes in Lloyds Section

Big changes in the Lloyds section, 59, are made by changing a few words. As introduced, the code allowed foreign and alien Lloyds to include their Illinois deposits in the assets held to cover Illinois liabilities. The amendment requires a deposit in addition to assets covering the liabilities. There was some uncertainty before the amendment where the assets covering Illinois liabilities should be held. This is put beyond doubt by adding the words "in this state" after "with a responsible bank or trust company." Unearned premiums on policies in the state are expressly added to the liabilities that must be covered by reserves.

Section 62 on investments is changed by striking out the word "percentage" in subsection (i) in the proviso excepting outside companies from the "percentage" limitations in sections 68 and 71 applying to Illinois companies on the classes of securities that may be held. This seems to free them from all limitations on kind or amount. Section 68 deals with so-called securities and section 71 with real estate.

Section 396 on local taxation is amended by striking out the words "fire and marine" in lines one and two, so that if casualty companies should write the kinds of insurance covered by the section, the premiums must be reported for taxation the same as if written by a fire and marine company.

The bill to regulate fire and casualty rates has also been advanced to second reading in the Illinois senate. It is an anti-discrimination statute applying to fire, compensation and automobile.

Instead of applying to every kind of insurance except life, the rate regulation provision when introduced separately from the insurance code in Illinois is limited to what are commonly known as fire lines, motor vehicle and workmen's compensation. Otherwise the three active sections of the code are the same as sections 347-8-9 of the code.

Section 1 of the rate regulation bill (348 of the code) reads as follows: "This act shall apply to all companies transacting any of the following kind or kinds of insurance:

"1. Insurance against loss or damage by fire, smoke and smudge, lightning or other electrical disturbances;

"2. Insurance against any loss or liability resulting from or incident to the ownership, maintenance or use of any vehicle (motor or otherwise), draft animal or aircraft.

"3. Insurance of the obligations accepted by or imposed upon employers under laws for workmen's compensation."

The separate act contains other provisions similar to those found in the code, on hearings, orders of the director of insurance, review, etc.

Rain Damage in Miami Is Found to Be Very Heavy

MAIN LOSSES ARE HIDDEN

H. M. Giles, Millers National Head, Who Viewed Disaster, Estimates Insurance Loss at \$2,500,000

H. M. Giles of Chicago, president of the Millers National, has returned to his office after viewing the results of the recent hurricane in Miami. Mr. Giles happened to be in the south when the storm struck and he went to Miami to view the damage.

Mr. Giles reports that superficially the damage does not seem to be great, except to trees and shrubs. However, there is much hidden damage that was caused by rain being driven into the interior of structures through holes in the roofs caused by the storm. There is much damage to plaster and walls, furniture and mercantile stock. The fact that there was this hidden damage caused various estimates of the loss to be made. Early estimates were that the loss was only about a million dollars. Mr. Giles states it is difficult at this stage to arrive at a good estimate, but he guesses that the loss to insurance companies will amount to \$2,500,000 with an additional \$1,500,000 uninsured damage.

COMPANY NEWS

To Launch Fire Company

ATLANTA, GA., Nov. 20.—The Southern Insurance Securities Corporation, which recently organized the Southern Life here, is organizing the Southern Fire. Plans are now being made so that both companies will be in full operation by the first of the year.

Mahoning Organized in Ohio

The Mahoning Insurance Company of Youngstown has been licensed by the Ohio insurance department. It is a stock fire company. Frank Purnell is president and J. C. Argetsinger, secretary. It is an instrumentality of Youngstown Sheet & Tube.

Adopt Non-Assessable Form

Mill Owners Mutual Fire of Iowa has announced it will issue non-assessable policies, its by-laws having been so amended. Assessable policies now in force are not affected by the change, but all new policies will be written on the non-assessable basis.

Watson, Pieper Return

President B. S. Watson and Vice-president C. E. Pieper of the Rhode Island visited their Chicago offices en route to Providence following a trip to the Pacific Coast.

"Duke" Potter's King's English

Wellington Potter, well known local agent at Rochester, N. Y., and Mrs. Potter presented "The King's English" over a Columbia broadcasting hookup Tuesday afternoon. It dealt with words and phrases commonly used whose value is lost because their derivation and true meaning are not understood.

Banquet for Bride-to-Be

Miss Myrtle (Fisher) Mickelsen, secretary to L. L. Sanders, automobile superintendent for the National in the west, was given a banquet by 88 women employees of the office, at which announcement was made that she is to be married Nov. 23 to Frank J. Blaney of Alpena, Mich., Mrs. Myrtle Buck, secretary to Manager G. H. Bell, was toastmistress. Miss Mickelsen has been in Mr. Sanders' employ 24 years.

Cook County Special Agents or Agency Counter Men

If you control a fair amount of Cook County business, personally or through brokers this may be the opportunity you have been waiting for.

ADDRESS C-33 THE NATIONAL UNDERWRITER

Field Man Available

Field man with twelve years experience wants connection with bureau company. Prefers territory in Indiana, Illinois, Ohio or Michigan.

ADDRESS C-54, THE NATIONAL UNDERWRITER

WILL BUY AGENCY

Responsible party interested in buying an agency in Indianapolis. State full particulars first letter.

ADDRESS C-55, THE NATIONAL UNDERWRITER

D. F. Broderick
Pres.

C. M. Verbiest
V. P.-Secy.

L. G. Goodrich
V. P.-Treas.

D. F. BRODERICK
INCORPORATED

INSURANCE EXCLUSIVELY

DETROIT NEW YORK
CHICAGO SAN FRANCISCO

RE-WEAVING

AT LOWEST PRICES

Moth Holes, Burns, Tears, and Damages of All Kinds Re-woven Perfectly—Work Guaranteed

LADIES GARMENTS, SILKS AND LINENS INCLUDED
Specializing in Insurance Losses

No Mending Before Weaving No Patching After

All Re-Weaving done by hand as perfectly as when the cloth comes from the Mill. Send Garments for Estimate.
FRANKLIN-TAYLOR WEAVING CO.
230 S. Wells St., Dept. C, Chicago, Ill.

The fortunes of an insurance company lie largely in the hands of its agents.

Therefore, when any man or group of men is chosen to act as trustee of this organization's reputation the choice is carefully made.

The public has a right to expect the agent to exercise similar discrimination in selecting his companies. You cannot do better than represent the Equitable Fire and Marine Insurance Company of Providence, R. I.

Cash Capital . . . \$1,000,000.00
Net Surplus. . . . 3,832,750.70
Assets 6,031,368.30

VIEWED FROM NEW YORK

By GEORGE A. WATSON

WALLER RETURNS FROM WEST

Arthur Waller, United States manager of the Royal Exchange, is again in New York City following a three weeks trip among agents of his company in the central west and northwest. General Agent W. B. Kelly, who accompanied him to Chicago and several other centers, returned to headquarters some days ago.

* * *

JOURNALISTS NIGHT SCHEDULED

The meeting of the New York City Blue Goose to be held in Newark the evening of Dec. 10 will be known as "Insurance Journalists Night," a number of men connected with the insurance press having long been members of the pond.

* * *

DEFER ACTION ON I. U. B. RULES

The report of the special committee on multiple location risks was referred back to the committee for further consideration at the November meeting of the New York Fire Insurance Exchange. The report recommended that the rules, forms and rating practices of the Interstate Underwriters Board be made available to assured having locations in exchange territory. It is likely the program will be reported again at the December meeting.

The New York insurance department in 1930 first requested the New York Fire Insurance Exchange to conform with the remainder of the state on multiple location risks.

On a roll call test vote in the committee as a whole, the vote was 75 for adoption of the rules and 19 against. This was one vote short of the 80 percent required for changing rules relating to rating matters.

W. A. Riordan presented the recommendations for adopting the rules in the absence of A. H. Witthohn, chairman of the committee.

* * *

RETURN TO ENGLAND

J. D. Simpson, general manager of the Royal-Liverpool groups, and P. M. Spence, financial secretary, who have been in the United States for several weeks, are now returning to England.

* * *

REINSURANCE BARRED

The prohibition of the Eastern Underwriters Association against agents in excepted cities reinsuring business with non-affiliated companies still stands; the effort for its modification failing at the meeting of the governing organization.

* * *

BROKERS COMMITTEE MEETS

A movement to have active individual workers in sections where there are no local brokers' associations took shape at the annual executive committee meeting of the National Association of Insurance Brokers held in New York. Proposed amendments to the by-laws and constitution were discussed and a committee will be appointed by Julian Lucas, president New York brokers organization, to study the revision and report to the executive committee. W. J. Mosenthal, chairman professionalization committee, New York, told of brokers qualification laws planned for New York, Illinois, Massachusetts and in other sections. J. A. Mudd, Jr., of the Illinois association stressed benefits derived from the annual meeting of the national organization. E. S. Lichfield, chairman legislative committee and member Massachusetts association, reported on social security legislation, urging local associations to appoint committees to study the situation so brokers may be in position to advise their clients. There were other committee reports on workmen's compensation, trend of commissions, study of mutual insurance, discrimination against

brokers, finance and publicity. Julian Lucas voted for representatives of the St. Louis and San Francisco associations who were unable to attend. A telegram was read from A. S. Schwartz, past president Chicago association and chairman membership committee national organization, who reported that other associations may be established in several cities before long.

* * *

INSPECT FORD PLANT

Some 60 members of the Fire Insurance Examiners Association of New York made a group inspection of the Ford Motor Company plant in Edgewater, N. J.

* * *

WHISKY LINE PROBLEM

Securing adequate coverage upon whisky warehouses continues to present a problem to agents and brokers handling such lines. The feeling among underwriters is that one solution would be a more restricted use of I. U. B. covers, the writing of which forces carriers to fix the limit of their possible liability upon properties at figures, oftentimes far in excess of those shown to be at risk when returns come in; meanwhile closing them to acceptances of specific offerings. A considerable number of specific lines on Illinois and Kentucky warehouses, and to a lesser extent in other points, have been submitted by agents to have them rejected on the assumption that they are committed to the limit under schedules. Just how the situation could best be handled is a question that company officials are mulling over.

Another matter in connection with whisky business that company chiefs are speculating upon is the possible effect upon the industry should the trade agreement now being negotiated between the United States and Canadian governments result in the importation into this country of any considerable amount of Canadian liquor. It is already sold in liberal quantities throughout the states, certain brands being in high favor. Whether in the event of favorable trade arrangements sale of the product on this side the border would increase to a degree that would interfere with the demand for home liquor is a question engaging underwriting minds.

* * *

PROPOSE SEPARATE COMPANY

Whether competition from non-stock companies is more vigorous today than at any previous time, or whether stock agents are more sensitive to it than formerly, it is unquestionably true that companies are now hearing more upon the subject from their agents than ever before. One novel suggestion for dealing with the situation is that the stock offices form a company with ample capital and surplus which would operate independently; filing rates that the non-stock institutions would find it impossible to match. Probably such an organization would be conducted at a loss, but as it would be spread among a considerable number of participants, the loss to any one would be slight and could easily be borne.

The Factory Insurance Association was launched as a pooling arrangement by a considerable number of stock companies as a medium to meet New England mill mutual competition. The success with which this has been done doubtless suggested the idea of a general writing organization that would operate in small communities as well as large centers.

While the idea would likely prove impractical of carrying out for a variety of reasons, the fact that it has been talked of affords partial evidence of the attention being given the general subject of non-stock competition by orthodox institutions.



NATIONAL UNION
FIRE INSURANCE
COMPANY

Pittsburgh, Pa.

"The way we do things,
not just the way we
say things, is always
the measure of our
sincerity."

—Anon.

A
Good
Agency
Company

EDITORIAL COMMENT

Departmental Examinations

ONE of the most serious questions to engross the attention of the INSURANCE COMMISSIONERS CONVENTION at its winter meeting in NEW YORK next month will be the subject of company examinations. There seems to be a tendency here and there to ignore so-called "convention" examinations where two or more states participate. Then some commissioners would practically eliminate all examinations except "convention" examinations. In years gone by there were examination raids by different states for revenue only. It was the custom for state insurance departments to appoint examiners and send them scurrying over the field, pouncing down on this company and that in all sections. These people were largely appointed for political purposes. They knew little or nothing about insurance companies and had no aptitude toward intelligent examinations. They would seek companies in different parts of the country at the most desirable seasons of the year. These examination raids became an outrage on the business.

Then the "convention" system was inaugurated whereby examinations were made in an orderly way and this led to the withdrawal of the raiders for the most part. There have been some instances here and there when a department desired to favor political henchmen such as Louisiana has been doing for the last year, but as a rule, department examinations have been satisfactorily conducted.

The general rule has been for the home department to be responsible for its companies and where another state desired to have an examination the matter has been adjusted through the committee on examinations and where it seemed appropriate to have one conducted through the machinery of the organization, arrangements were so made. This has not interfered with the

right of any state to conduct an examination but this has been seldom done outside of its own bailiwick. That is, convention examinations have been made rather than have some one outside department doing the work. The present system, in our opinion, has worked out fairly satisfactorily. There has been little dissatisfaction as to the methods pursued.

There has been some complaint on part of commissioners in states where there are few home companies that they are not assigned frequently enough on convention examinations. The political angle of course is manifest in such complaint. Most states with few home offices do not have the competent examining forces that commonwealths do that are responsible for a number of companies. As a matter of fact, there are not so very many departments that are equipped with expert men who know how to examine a company. Some departments employ outside actuaries and accountants.

The whole subject of company examinations is an important one. Really the theory is all wrong to charge the companies for making an examination in view of the fact that they contribute so large amounts to the general revenue of states and the departments themselves are maintained entirely by funds received from insurance. However, it is useless to try to change this feature because it is too deeply set and the custom has been crystallized.

Whatever is done, the sole thought in the mind of the state officials should be greater efficiency and satisfaction in examinations. If an effort is to be made to mollify a state that has no proper examining forces and if political factors enter into the field largely, then examinations will tend to become more or less of a farce. The examination procedure must not be tainted.

A Healthy Attitude Is Shown

WITHOUT offering any opinion on the merits and demerits of the uniform definition of marine insurance, we feel that the attitude of Commissioner W. A. SULLIVAN of Washington in amending his state's acceptance of the definition is noteworthy. Modifying it to permit the personal property floater and some other forms covering in residences in Washington, Commissioner SULLIVAN gives as his reason the fact that the public demands this coverage and will secure it in unadmitted companies if the state outlaws it. Legalizing this coverage saves not only taxes for the state, but premiums for law-abiding companies and agents.

Unquestionably the recently found

voice of organized insurance buyers is being heard. But no one should pretend not to know that unadmitted companies have always found at least part of their market with assured who would have preferred to patronize legitimate insurance channels could they have gotten what they wanted there. The insurance buyer is not always right, but neither is he always wrong. Before anyone can hope to solve the evils of unadmitted insurance, we must be reasonably sure that there is no valid reason why the public should do business with these carriers.

There will always be a certain amount of outlaw business done on a price basis and insurance officials are doing

only their duty to protect the public when they fight such carriers. But where it has been demonstrated that a coverage can be written on a sound basis and fills a need it should not be barred simply because it might upset

some established practices. To do so simply amounts to giving all unauthorized companies and practices a semblance of justification, because the public cannot or will not distinguish one from the other.

Novel Brevity Has Advantages

WHILE there will be strong opposition to state rate regulation of fire, workmens compensation and auto rates in Illinois, the novel brevity of the rating section as it appeared in the proposed new insurance code in that state is interesting. If the desirability of rate regulation were granted it would be a serious question if the Illinois act would not be almost ideal. As introduced in the code it omitted all the usual elaborate state machinery and in effect simply imposed state supervision on the present rating systems. It went directly at the point of discrimination between assured, which is essentially the sole point in a rate regulation law. At first view it appeared entirely inadequate for controlling non-conference or non-board companies, but after all the only real point is discrimination. A company that is running wild can be called upon to

justify its rates. All companies operate either on standard rates or on some more or less standard deviations. Under the Illinois code measure, as soon as a company began picking up business on the bargaining principle it could be brought to book.

The regular companies would probably be glad to be free from the burden of detail in the ordinary rate regulation law. The code measure was a remarkable step away from bureaucracy, actually astonishing in these times.

The simplicity of the plan may not reconcile those who are opposed to state regulation of rates, but it is certainly refreshing, if there must be regulation. It is to be hoped the separate measure to be introduced will not go to the other extreme of excessive detail. A rigid setup is likely to cross unknown future trends.

PERSONAL SIDE OF BUSINESS

Alfred L. Merritt, Pacific Coast manager of the Pearl Assurance, accompanied by his bride, has returned from a combined honeymoon and business trip to New York, London and Paris. Leaving San Francisco Sept. 12, immediately following the ceremony, they sailed from New York for Paris in company with Stewart Hopps and George Stevens, United States executives of the Pearl. Later they visited in London, conferring with home office executives of the company, returning to San Francisco via the Panama canal.

Mrs. L. E. Hildreth of Kentfield, Cal., wife of the old time adjuster in the western department of the Hartford Fire, died at her home this week. She was formerly president of the Evanston, Ill., Women's Club, being prominent in that organization.

Alvin S. Keys, Springfield, Ill., agent, and immediate past president of the Illinois Association of Insurance Agents, is bereaved by the death of his father, a former banker of Springfield. E. D. Keys was president of the old Ridgely Farmers Bank of that city. The funeral is to be held at 3:30 p. m., Nov. 21, at Springfield.

G. A. Stickney, prior to 1910 manager for the Connecticut Fire in Cook county in Chicago, is now a special representative of the Central Manufacturers Mutual of Van Wert, O., with headquarters in Boston. Mr. Stickney has been in Boston since 1910. He covers the northern New England states for the Central.

M. E. Faust, veteran fire insurance adjuster at Los Angeles, with a record of 37 years of service in southern California, died from a sudden heart attack after spending the day on the adjust-

ment of an important fire loss. He was a past most loyal gander of the California Blue Goose and one of the original organizers of the American Association of Adjusters for Fire Insurance Companies.

S. H. Quackenbush of Freeport, Ill., western manager of the Westchester Fire, met with an automobile accident suffering severe lacerations of his right ear and bruised about the head. He was taken to the Evangelical Deaconess Hospital and then returned home. Mr. Quackenbush stepped out of the path of a car and in front of another which was coming without lights.

Miss Geraldine Ohlsen, daughter of Western Manager **C. W. Ohlsen** of the Sun, is in Englewood hospital, Chicago, recovering from a skull fracture suffered when the car she was driving skidded and crashed into a car coming in the opposite direction. She is making a satisfactory recovery. She and her sister, who are talented fancy dancers, have entertained at two or three dinner parties of the Illinois Blue Goose.

Ewart Goodwin of San Diego, Cal., son of the late Percy H. Goodwin, who was president of the National Association of Insurance Agents, conducts the Goodwin Agency. He has a new son in his family who was born just at the time that the California Association of Insurance Agents was holding its annual meeting in his city.

W. S. Thompson, veteran Hutchinson, Kan., local agent, has been seriously ill at his home for the past two weeks but his early recovery is expected.

S. W. Atkinson, Lawrence, Kan., veteran field man for the Phoenix of Hart-

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E. J. WOHLGEMUTH, President
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HARTFORD OFFICE—Room 502, 18 Asylum St. Telephone 7-1227. **R. E. Richman**, Mgr.
DES MOINES OFFICE—627 Insurance Exchange, Tel. 44417. **R. J. Chapman**, Res. Mgr.

NEW YORK OFFICE—1200-123 William St., Tel. Beekman 3-3958. **Editorial Dept.**—**G. A. Watson**, Associate Editor; **R. B. Mitchell**, Assistant Editor. **Business Dept.**—**N. V. Paul**, Vice-Pres.; **W. J. Smyth**, Res. Mgr.
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ford, suffered a heart attack while visiting his daughter in Kansas City, Mo. Mr. and Mrs. Atkinson were on their way to Florida to spend the winter and had stopped for a visit in Kansas City. Mr. Atkinson was taken to St. Luke's hospital in Kansas City where he is now. He is probably the oldest field man in Kansas in point of service and is well known by agents, field men and company officials throughout the country.

Clifford L. Frates, president of the C. L. Frates Company, Oklahoma City local agency, was married to Miss Mex Lloyds Rodman. They will go to Honolulu on their wedding trip. Mr. Frates purchased the Oklahoma City office of the Frates Company, local agents of Tulsa, Okla., last January from his father, Joseph A. Frates, Jr.

William T. Mills, Jr., manager Royal group in Philadelphia, was given a rare tribute by his staff and agents. On his 30th anniversary with the company, he found his desk covered with 500 complimentary orders, all of it new business, written especially for the occasion. In the evening, he was entertained at an informal dinner.

Mr. Mills joined the Royal's New York office as an office boy in 1905. In 1907 he was transferred to the agency department as map clerk and assistant examiner for Pennsylvania, later advancing to chief examiner for New York suburban and acting as counterman for the New York agency department. During the first half of 1917 he made inspections in the New York suburban field, later being made a special in that territory. In 1918 he was transferred to Harrisburg as special in eastern and central Pennsylvania. He was recalled to the New York office in August, 1924, where he spent four months studying the operation of each department. In January, 1925, he was sent to Philadelphia as associate manager of the branch office with Mortimer Skinner. When the latter retired in January, 1927, Mr. Mills succeeded him as local manager.

Miss Emma Clark, Marianna, Ark., agent, recently underwent a serious operation, from which she is making a rapid recovery. Secretary **C. C. Mitchener** of the Arkansas Association of Insurance Agents is a friendly competitor of Miss Clark at Marianna. During her illness, Mr. Mitchener took charge of Miss Clark's agency, taking care of her renewals in his own office.

E. E. Parker, Illinois state agent of the National, who has been laid up for several weeks with a skull fracture and other injuries, is now back on the job. He will work on a part time basis for a time until his condition warrants following a regular regime. He was thrown, when the horse he was riding, was struck by an automobile in Lincoln park, Chicago.

John H. Dickerson, senior partner of Dickerson & Linn, Cincinnati, suffered a stroke Saturday night. He is at the Bethesda Hospital there, in a serious condition.

James E. Chittenden, North America state agent in Kentucky, has been made a Kentucky colonel by Governor Ruby Laffoon. Mr. Chittenden has been with the North America group many years.

Bert A. Jochen, assistant United States manager of the Eagle Star & British Dominions, was married to Patricia Nordholm of Atchison county, Mo.

James D. Chittenden, department manager Liberty Fire of Louisville, disabled four weeks as a result of an appendix operation, is recovering at home, and expects to return to his desk within a week or so.

The **Griswold-Sellers** Adjustment Company, San Antonio, entertained at an outing at Medina Lake.

REJECTED RISKS

More About Definitions
N. B., Governor Laffoon
Tip to City Greeters

To those who start out their convention talks by reading a dictionary definition of the subject: phooey!

A curiosity comes to one of the insurance offices from a lightning rod contractor which is worth reading. It is as follows:

"I have recieved your letter you have some building to rode and i have the rode to doiet it.

I would liked to put them on fore youe the price is 15 cents a foot and the standards \$1.50 extrey and i put them on i live 5 miles east of here i be home next Sunday in the afternoon if you let me nowe this weake houe meany building youe have gote you let me nowe this weak ore youe can come over next Sunday after noone ibe home ore youe let me nowe and be over over at the farm if youe tell me whear it is"

If it weren't for the Firemans of Newark and the Firemen's Fund; the Phenix of Hartford and the Fidelity-Phoenix, the life of an insurance journal proofreader would be less laborious.

NEWS FLASH! Editors of trade papers are collecting a fund to bribe the governor of Kentucky not to commission any more colonels or admirals. Presses are breaking down with acute indigestion from consuming the multitude of announcements of Kentucky appointments. THE NATIONAL UNDERWRITER will contribute to the fund.

Reelection for the mayor, reappointment for the city attorney, city sealer or other official greeter of conventions, who, in welcoming a meeting of fire or casualty insurance people, does not rhapsodize anent the beneficence of life insurance, and who, in welcoming life insurance conventioners, does not boast about the city's fire department and give thanks for the fire prevention efforts of insurance men.

Insurers Meeting with Schenley on Liquor Issue

NEW YORK, Nov. 20.—At the request of Schiff, Terhune & Co., brokers of this city handling the Schenley Products line, representatives of all companies writing the cover will meet here tomorrow to review the proposed plans of Schenley for erecting reinforced concrete warehouses at each of its plants.

Because of the disfavor with which some offices regard the reporting form covering whisky in warehouses, and the conservative attitude taken by all carriers regarding the hazard in the light of the several serious fires within the past 18 months, the Schenley people have had considerable difficulty in obtaining adequate indemnity. They felt that if warehouses along the lines of those used by the Seagram company were erected, insurers would accept coverage more freely.

They submitted their plans to individual companies and to the Western Actuarial Bureau, receiving a number of suggestions in connection therewith. The whole matter will be gone over at the gathering tomorrow and a definite building program on the part of the Schenley Corporation is expected to result.

Menard Gave Report

The report on the contingent commission plan presented to the Southern Agents Conference was made by Albert R. Menard of Macon, Ga., national councillor and member Georgia Association of Insurance Agents. In the report a typographical error occurred and Mr. Menard's name was reported as "Wenart."

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1928

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE

AND THEIR ALLIED LINES

AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES

AUTOMOBILE—FULL COVERAGE

GOLFERS' EQUIPMENT and LIABILITY

WITH

MARYLAND CASUALTY CO.

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Mgr.

CONQUERING A GIANT

THE giant of destruction on the highways faced its first adversary in the insurance companies of America.

It was uphill work and the companies knew it. Persistently they continued their attack in the face of steadily mounting totals of death and injury, in the absence of tangible evidence of the effectiveness of their labors.

Years of effort have finally touched off the spark of public opinion. On all sides we see it flaming into action against a condition which last year resulted in over 36,000 deaths and nearly one million injuries.

The vision and the patience of the companies are being justified, as what was once the concern of a single industry becomes the call to action of an aroused nation.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Authority Is Upheld by Court

Wisconsin Tribunal Refuses to Force Mortensen or Rating Bureau to Approve Deviated U. & O. Forms

The Wisconsin supreme court has refused to force Commissioner Mortensen or the Fire Insurance Rating Bureau to approve deviated use and occupancy forms, which the Riebe Company desired to carry.

The Riebe Company at one time obtained U. & O. insurance that was not on uniform forms. The rating bureau criticized these policies and refused to approve the forms, insisting that uniform forms be used.

The rating bureau refused to establish a reasonable rate for Riebe's form of deviated coverage. Accordingly the insurance companies were compelled to cancel the insurance on the deviated form and declined to issue further policies on such form.

Authority Is Challenged

The Riebe Company alleged that the commissioner is without right or authority to require, accept or approve U. & O. filing and is without authority to punish or penalize for refusal to file such form. The allegation was that the insurance companies have no right to enter into any contract to provide for uniform U. & O. insurance.

The supreme court decided that the allegations of the complaint are insufficient to show the existence of a controversy or any basis for declaratory relief. There is no controversy with the insurance companies or with any one of them and if there were, it would not relate to any right of the Riebe Company, since the insurance companies could decline, upon any ground, to issue a policy to the Riebe Company without bringing into question or controversy any of the Riebe Company's rights.

Nor, according to the court, is there any controversy with Mortensen or the rating bureau. The Riebe Company objects to the actions and ruling of Mortensen and the rating bureau and deems itself aggrieved by them, but there is no actual or threatened interference even with what the Riebe Company conceives its rights to be. No company has issued to the Riebe Company such a policy as the Riebe Company desires, nor is there any allegation that any company is presently willing to do so. What the Riebe Company asks is a ruling, predicated upon the hypothesis that the Riebe Company secure such a policy, that the policy will be valid and not subject to control or criticism by Mortensen or the rating bureau. If the ruling is favorable, the likelihood that some company will be willing to issue such a policy is measurably increased. To take jurisdiction in such a situation, according to the court, would constitute the giving of legal advice, not the declaration of controversial rights.

Cooking Arrangement Decides

DETROIT, Nov. 20.—The Michigan Association of Insurance Agents has obtained a ruling from the Michigan Inspection Bureau on the question of when a one-family home is to be rated as a two-family for clearance of the note in the dwelling schedule. The bureau ruled that this point is properly governed by cooking arrangements. If alterations have been made to provide for additional cooking facilities, then the dwelling rates as a two-family or more depending on the facilities provided.

Kansas Ruling Causes Stir

Citizens of State Are Required to Report Fire Insurance Carried on Household Goods

The state tax commission of Kansas has just put a new requirement on the assessment blanks which is sent to all county assessors, requiring every person in Kansas to state how much fire insurance he carries on his household goods. This proposed action on the part of the state has aroused the local agents because they feel that this will hurt the insurance business in that some assured will reduce the amount of their policies at renewal. The purpose of the proposed change is to try to get the taxpayer to give a higher valuation upon his personal property. It is argued by the agents that this would not be a fair comparison because the value in connection with tax purposes is ordinarily the marketable value and the value covered by an insurance policy is the replacement value.

Another angle is the fact that the information might be used by some deputy assessors to give friendly agents information. A meeting has been called for the executive committee of the Kansas Association of Insurance Agents for Nov. 29 at Topeka and probably other prominent agents will be called to meet with the state tax commission in an endeavor to have this question eliminated from the assessors' blanks. A committee of the Topeka Board will do some work on this proposition within a few days.

Full Program at Milwaukee

November Meeting of Board Given Over to Educational Purposes; Playlet Presented

Emphasis on the fact that salesmanship is of primary importance to insurance agents, brokers and solicitors, and the old fundamentals of selling still hold good, was given by speakers at the November educational meeting of the Milwaukee Board. There was a dramatic presentation of an insurance selling playlet and showing of three talkies on fire and automobile accident prevention.

President L. C. Hilgemann told of growth and development of the board, organized about 1863, and including 100 percent membership of all stock company agents in Milwaukee county. It is one of the strongest fire boards in the country, he said. He conducted a brief business meeting. W. B. Calhoun, former president Milwaukee Board, and also of the Wisconsin and National associations, was chairman of the educational committee for the meeting.

Freeman Produces Playlet

Charles Freeman, producer and principal actor in the playlet, "To Sell or Not to Sell," is manager of business promotion Springfield F. & M., Springfield, Mass. He enumerated five principles of successful selling, to sell oneself on his ability to sell; second, to know the product and insurance coverages; third, to find real prospects with a definite need for the product; fourth, plan the selling campaign and know what to do; fifth, provide adequate service to accounts after making the initial sales. Mr. Freeman was assisted by R. L. Nicholson, Milwaukee, state agent Michigan F. & M. as a business ex-

ecutive, and Miss Sylvia Nicholson, as private secretary.

In a discourse on "Ethics in Underwriting," F. J. Lewis, past president Milwaukee Board and Wisconsin association, and national councillor for Wisconsin, said the agent's responsibility to clients is to sell them stock insurance as it provides all forms of insurance protection without involving the client in the insurance business. "As long as we have some 126 classifications of insurance coverage," he said, "the middleman or local agent will be necessary in the institution of insurance. The buyer cannot be expected to know sufficiently about all forms and classes to take care of his own insurance needs properly."

E. P. Hunkel, who operates the G. P. Hunkel & Son agency and for many years was secretary of the Milwaukee Board, was introduced. He had just been presented a gold watch by the St. Paul F. & M. for 50 years continuous service as agent. D. O. Stine, Reedsburg, Wis., state agent for the company in southern Wisconsin, and field men went to Milwaukee a week ago, honoring Mr. Hunkel at a luncheon at which the presentation was made.

Minnesota Mutuals Meeting

W. J. Laidlaw of the Minnesota Farmers Has Been Elected President of the State Body

The annual meeting of the Minnesota Association of Mutual Insurance Companies at Minneapolis started with a luncheon with the convention presided over by L. M. Thurber, secretary Security Mutual of Chatfield who was president. W. J. Laidlaw, Minnesota Farmers Mutual of Minneapolis, was chosen as the new president; D. F. Raihle, Hardware Mutual of Minneapolis, vice-president; Miss A. J. Dahlstrom of Minneapolis, secretary and treasurer. The directors are E. H. Moreland, Tri-State Mutual of Luverne; C. I. Buxton, Minnesota Implement Mutual of Owatonna; H. L. Hjermstad, Citizens Fund Mutual, Red Wing; Mr. Laidlaw and Miss Dahlstrom. The legislative committee consists of Mr. Hjermstad, chairman; John A. Buxton, Owatonna; C. S. Laidlaw, Minneapolis; E. H. Moreland, L. M. Thurber and R. J. Grant, president Hardware Mutual of Minneapolis. The auditing committee consists of S. T. Laidlaw of Minneapolis.

Several Local Wisconsin Associations Are Organized

BARABOO, WIS., Nov. 20.—R. L. Hirschinger, Baraboo, was elected president of the Sauk County Insurance Underwriters Association at the organization meeting in this city. Other officers named were R. J. Schwartz, Prairie du Sac, vice-president; Clark Wilkinson, Baraboo, secretary-treasurer; M. E. Gale and C. W. Webster, Baraboo, and J. A. Lund and Victor Kansier, Reedsburg, directors.

Hugh Bird, Beaver Dam, president of the state association said that plans are under way to organize 40 local, city and county boards. Within the past few weeks county local boards were organized at Madison and Monroe. Another board is being organized for Jefferson county.

Mortensen May Hold Over For an Indefinite Period

MILWAUKEE, Nov. 20.—Those acquainted with the Wisconsin political situation are now predicting that Insurance Commissioner Mortensen will be allowed to hold office indefinitely, with-

Complete Illinois Data In Illinois Hand-Book

The Underwriters' Hand-Book of Illinois which is just off the press, gives a comprehensive picture of the business in the state and is a veritable mine of information on Illinois insurance-wise.

The agency directory department gives the names of all licensed agents showing companies represented, other business transacted, if any, names of members of the agency, date agency was established and address. This is arranged in alphabetical order by towns and one who is interested in the insurance set-up in any town can quickly find it.

The statistical information contained in this volume shows fire insurance data for the last six years, casualty insurance for two years classified as to lines written and life insurance for six years. This compilation shows that in 1934 the stock fire companies wrote \$46,633,249 in premiums compared with \$41,747,035 the previous year, the mutuals \$4,126,955 as against \$3,494,188 in 1933. Losses for the stock companies were \$21,653,963 in 1934, \$20,769,350 in 1933. Mutual losses were \$831,084 in 1934, \$987,042 in 1933. The casualty premiums jumped considerably from \$54,685,095 in 1933 to \$61,324,862 last year, while losses increased only moderately from \$27,102,633 to \$28,716,124. Life insurance written was \$1,364,054,078 in 1934, \$1,209,542,274 in 1933, with insurance in force at the end of 1934 at \$7,902,117,894.

Data on the companies licensed to operate in Illinois is given in the company directory department. This shows the names of all the companies, the officers, home office address, address of local field man, general agent or manager, latest financial statement, and organization of which it is a member. The names of field men, general agents and managers are listed alphabetically in another section for cross-reference.

Miscellaneous information includes the town classifications as to fire protection, resume of the insurance laws, lists of adjusters, attorneys and organizations, and a showing of the special lines written by fire and casualty companies writing them.

The companion book to the Underwriters' Hand-Book of Illinois is the Underwriters' Hand-Book of Chicago, which was published earlier in the year and gives more detailed data on Chicago and Cook county. Both are published by THE NATIONAL UNDERWRITER.

out actually being reappointed. His term expired this summer and there has been considerable interest in whether he would be reappointed or a new man named. For some time, the theory was that Governor LaFollette was permitting Mr. Mortensen to hold over until the legislature had adjourned. Now the legislature has adjourned and there is still no announcement. Due to the possibility that the legislature will reconvene again for revenue purposes, the governor may have decided not to make an interim appointment of Mr. Mortensen. The conservatives are in control of the senate and the governor may feel that there might be a collision, no matter who might be appointed.

Crane Sues Former Partners

ST. LOUIS, Nov. 20.—Circuit Judge O'Malley has taken under advisement the suit of Frank H. Crane to compel his former partners in the Charles L. Crane agency to rescind their action in severing his connection with the partnership. Mr. Crane, whose father founded the agency in 1885, charged

that his partner undertook to expel him from participation in May, 1934, without adequate cause. He joined the firm in 1923.

The answer of the partners was that Mr. Crane was ousted because he had been in continuous disagreement with the partners for many years and had been unreasonable in objecting to their plans. They contended they acted within their legal rights. His father was a witness for Mr. Crane at the recent hearing. The defendants are: A. L. McCormack, Edwin Lips, Alex Kraus, J. G. Weld, Edwin F. Smith, Arthur J. Hunthausen, T. D. Petrie, F. G. Macke and R. N. Caver. The partnership contract dated Nov. 15, 1922, was to continue until 1947, unless otherwise terminated.

Would Tax Companies

LINCOLN, NEB., Nov. 20.—N. M. Sommerville, a taxpayer, has begun an action to require the secretary of state to collect an occupation tax on the basis of capital stock from insurance companies. The state has pursued a policy for years of exempting these on the basis of an interpretation of the law which relieves insurance companies from all other taxes, save on real estate, on payment of a gross premium tax.

Muskegon Fire Service

New contracts are being prepared whereunder fire department service from Muskegon, Mich., to outside territory will be given at a cost of \$125, no matter what the distance or the time required. Runs will not be made in the future to premises of property owners who do not have contracts with the city.

Use New Missouri Rate

The St. Louis Fire & Marine has announced that it will conform its rates in Missouri to the new schedule approved by Superintendent O'Malley. It has been charging the rate promulgated in 1922.

Kansas Fire Losses

Kansas fire losses for October dropped to \$104,170. Last month's loss compared with \$133,791 for the preceding month, and \$162,853 for October last year. City losses slightly exceeded farm property damages last month, 62 urban dwellings being damaged to the extent of \$28,434.

Survey Is Requested

BAY CITY, MICH., Nov. 20.—The Michigan Inspection Bureau will be requested by the Bay county board of auditors to send an engineer here to go over the county's insurance and set up an adequate and systematic program of coverage. The plan was advanced by D. F. Goss, state agent Continental, who pointed out that such a service would be provided without cost to the county and that the result would probably be a substantial saving in premiums together with better balanced protection.

Iowa Mutuals to Meet

The Iowa Association of Mutual Insurance Associations will hold its annual convention in Des Moines Nov. 27. The program has been curtailed because of the national association meeting in Des Moines in October. Two associate organizations will hold their annual meetings the previous day, the Iowa Farmers Mutual Reinsurance Association and the Iowa Mutual Tornado Insurance Association.

W. S. Hukill Now a Colonel

Winfield S. Hukill, Jr., prominent Cincinnati agent, has joined the ranks of Kentucky colonels, with the grade of aide-de-camp on the staff of Governor Laffoon. Vice-president William Quaid of the Home of New York, another colonel, presented Col. Hukill with his commission at a dinner for the new officer last Tuesday night.

Col. Hukill started his insurance ca-

reer in Cincinnati in 1884 as an office boy with the old Merchants & Manufacturers of that city, working his way up to secretary of the company. When the Home reinsured the company in 1910, he became an agent for the Home and has become one of its outstanding producers and a nationally known broker on specialty lines. Hal D. Balyeat, his son-in-law, is associated with him in the agency.

Priest Reports at Wichita

At the Wichita Insurors meeting, Frank T. Priest, national executive committeeman, gave a delayed report on the National association's Rochester convention. Duane T. Stover, former Kansas national councillor, will give his report at the next meeting. Members were treated to a venison dinner by A. E. Smoll, past president, who recently returned from his annual deer hunt in New Mexico.

Agent Phelps Is Honored

Associates and friends of E. S. Phelps, agent at Burlington, Ia., for the Hartford Fire, presented him a gold medal in commemoration of 50 years' service with the Hartford. W. C. Boorn, associate general agent Hartford, Chicago, and J. S. McHugh, superintendent of underwriting, Chicago, were present.

Ohio Association Drive

Under the direction of G. C. Webb, Lima, chairman membership committee, and Senator J. A. Lloyd, association secretary, 102 men, two to a team called on non-members of the Ohio Association of Insurance Agents in a statewide membership campaign. Each non-member had previously received a letter, telling him that he would have visitors and asking him to give special heed to the message they brought.

St. Paul Exchange to Meet

Deviating from its usual procedure, the Insurance Exchange of St. Paul will hold its next quarterly meeting in the evening Dec. 3 and provide a free dinner for members. C. H. Bannard, Jr., western marine department Providence Washington, Chicago, will speak. President S. C. Aldridge is to preside.

Hold Football Session

Football was the main theme at the monthly meeting of the Insurance Club of Minneapolis, Charles Johnson, sports editor Minneapolis "Star," being guest speaker. The program was arranged by L. C. McGee, Aetna Casualty.

Watch Detroit Ordinance

DETROIT, Nov. 20.—Fire insurance men are watching with much interest the reception given a proposed fire ordinance by the common council, which would require elevator shafts in non-fireproof buildings to be made fireproof.

Davis Visits Ohio

H. C. Davis, assistant secretary of the New York Underwriters, visited many Ohio insurance men last week. He is making a swing through the middle west on company business.

Social Security Discussed

T. C. Morey, Nebraska state manager Prentice-Hall Company, spoke on the Social Security Act at the November meeting of the Insurance Institute of Nebraska.

Finance Company Buys Agency

The L. J. Pierson agency at Liberty, Ind., has been purchased by the Liberty Union Finance Company of which R. E. Ross is manager.

Middle West Notes

E. S. Conner has opened an agency at 626 Circle Tower, Indianapolis.

L. A. Walden & Co., 603 New Center building, Detroit, has been incorporated by L. A. Walden, Royal Oak, and Andrew Cadger, Ferndale.

IN THE SOUTHERN STATES

Saint Talked in Oklahoma

Manager North Carolina Association of Insurance Agents Tells About State Managerial Plan

John D. Saint of Raleigh, N. C., manager of the North Carolina Association of Insurance Agents talked before a special meeting of the Oklahoma Association of Insurors that took him to Oklahoma City to outline a plan for Oklahoma that would put it on the same basis as has been developed in North Carolina and Louisiana where Mr. Saint did the managerial organizational work. Mr. Saint discussed at

length the plan followed along managerial lines. He dwelt upon:

Incorporated association charter and by-laws, division of the state in seven regions, organization of 42 local exchanges, system of "Bulletins" for membership education, a financial plan allocated to "sustaining towns," coextensive membership in local exchanges, state and national associations, regional meeting plans, committees and their functions, membership enrollment and retention, budgetary form of association expense control, dues classification by volume of premium income, functions of a full time manager, cooperation with: (a) the insurance commissioner, (b) the state boards and bureaus, (c) the special agents, (d) the companies, (e)

Salesmen of Security

Since time began most men have bent their wills to one end only. All the rainbows men have chased, all the ideals men have held, have been dedicated to security and peace of mind for the average man. Only by threatening their security may large numbers of men be aroused to fighting moods. Only by promising greater security may any leader win a wide following.

Amid all the ballyhoo, the tumult, and the shouting, through a hundred years of loud promises kept or broken, one group of men have quietly and steadily worked to provide peace of mind for the average man and security for his home, his family and his business. They are the insurance agents of America—our true salesmen of security!

They know how grave is their responsibility. They know how complete is their clients' reliance upon their judgment. So thousands of good agents have turned to these three sound, progressive companies for the ultimate trust of underwriting insurance that really provides security. These agents know, too, that they get friendly understanding of their problems from an able group of fieldmen and executives.

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members to promote their interests above those of non-members, (f) other states in the immediate vicinity on matters of common concern, (g) salesmanship and premium production, (h) personal services to members.

The cleanup program presented by President E. W. Clarke was thoroughly discussed. Mr. Clarke wishes to correct agency practices with a view to placing the business on a sounder basis. If necessary, he urges the immediate employment of a permanent secretary to put the plan into effect.

Tells of HOLC in Oklahoma

Manager Gives Some Facts as to Its Operations Since the Office Was Established

Earl N. Tankeisley, manager of the Home Owners Loan Corporation in Oklahoma, says that since the inception of the Oklahoma agency in August, 1933, the HOLC has completed 23,475 loans for \$53,574,170. Out of the proceeds it has advanced from its loan making operations \$121,116 in insurance premiums. He said that the HOLC is gradually closing out its loan operations in Oklahoma and expects to cease making loans about Dec. 1. It has 568 active applications in the entire state on which it has not completed loans.

It has had a total of 3,500 losses in the state, totaling \$218,125. Out of this number it has closed 2,800. He said that there has been considerable delay in closing some cases due to a lack of cooperation on part of the borrowers. In some instances he said it had been months before the local agents or the HOLC had any knowledge of a loss. He referred to the hailstorm in Kay county early in the spring when the HOLC assigned qualified inspectors there for the purpose of assisting its borrowers in their loss adjustments.

Decrease in Kentucky Rates

Commissioner Reed Announces Reduction in Cost of Fire Insurance From 4 to 35 Percent

Insurance Commissioner Reed of Kentucky announced this week that there has been a decrease in fire insurance rates in his state ranging from 4 to 35 percent. An additional saving, he said, is brought about by the elimination of some charges made for certain types of chimneys and open foundations in dwellings in towns from the first to the sixth class. The reductions were made by order of Commissioner Reed following conferences with W. M. Brown, manager of the state division of fire prevention and rates, and Manager Parker of the Kentucky Actuarial Bureau.

Commissioner Reed said the changes in public building insurance will pro-

Arkansas Speaker



PHIL C. BRANIFF

Phil C. Braniff, Tulsa, Okla., of the T. E. Braniff Company, pioneer Oklahoma City agency, will address the third annual mid-year meeting of the Arkansas Association of Insurance Agents Dec. 10 at Little Rock. Mr. Braniff is nationally known for his sparkling humor and "By the Way" column in the "Tebco Messenger," which is published by his agency.

duce the following approximate rate reductions: Fire roof construction, entire state, 20 percent on buildings and 8.4 percent on contents; brick construction, entire state except Louisville, Covington and Newport, cities rated up to eighth class, 22 percent reduction on buildings and 11.3 percent on contents; frame construction, entire state except Louisville, Covington and Newport, cities up to eighth class; 14.3 percent on buildings and 12.4 percent on contents. In ninth and tenth class cities the reduction on buildings is 4.8 percent on buildings and the same percentage on contents.

Public buildings in mercantile blocks and schools come under a different insurance classification, the rate reductions on which follow:

Fire proof construction—entire state, 20 percent reduction on buildings and 8.4 on contents.

Louisville Rates Given

Brick construction, Louisville, 17.6 percent on buildings and 18.4 percent on contents; Covington and Newport, 12.5 percent on buildings and 16.7 percent on buildings and contents; other cities, first to eighth class, 36.4 on buildings and 28.2 on contents; ninth and

tenth class towns, 18.2 on buildings and 18.9 on contents.

Frame construction—Louisville, 23.8 percent on buildings and 20.7 on contents; Covington and Newport, 15.8 on buildings and 14.6 on contents; other cities, first to eighth class, 30.8 on buildings and 28.7 on contents; ninth and tenth class towns, 23.1 on buildings and contents.

New Reporting Form Likely with Peak Tobacco Season

LOUISVILLE, Nov. 20.—The season is at hand when considerable tobacco insurance will soon be placed as leaf moves from the farm to the loose leaf auction sales floors and in turn to the tobacco manufacturers and speculators. The Lexington market will open to sales on Dec. 2, with the other burley markets starting Dec. 3. The dark tobacco markets in western Kentucky will start three or four days earlier than the burley markets. Rainy weather has been ideal for stripping and getting tobacco in shape to market. The crop is reported to be of fair size and excellent quality.

The Kentucky Actuarial Bureau will probably have a new form out in connection with reporting forms for loose leaf warehouse floors, on which it has been working for some weeks. Companies were not satisfied with the forms in use, or methods of reporting.

Contingent Commission Plan Is Logical at Present Time

TAMPA, FLA., Nov. 20.—Following the directors' meeting of the Florida Local Underwriters Association, agents are doing serious thinking toward some plan for contingent commissions. Despite the hurricane losses, experience has been such as to make an attitude of this kind more logical than for many years in the past. Criticism was also directed against two big gasoline producers who are bringing pressure to bear on bulk stations to carry liability and property damage in a particular organization.

NO ACTION AT AUGUSTA

AUGUSTA, GA., Nov. 20.—At the regular meeting of the Augusta Board of Underwriters, a report of the contingent commission plan proposed by the recent meeting of the Southern Agents Conference was made.

While individual members expressed themselves as satisfied with the plan, no official action was taken as it was felt that this would be done when the scheme would be presented formally to the board by either the S. E. U. A. or the conference.

North Carolina Organization

C. M. Westbrook of Charlotte was elected first president of the North Carolina Association of Mutual Insur-

ance Agents at the organization meeting at Greensboro. Hugh H. Murray, Jr., of Raleigh was elected first vice-president; F. H. Craft, Greensboro, second vice-president and John Durham, Charlotte, secretary-treasurer. Directors are H. L. Latimer, Jr., Wilmington; R. O. Crawford, Gastonia; R. A. Perry, Wilson; H. C. Wolf, Charlotte, and A. B. Welborn, High Point.

Commissioner Dan C. Boney spoke. E. I. Oakes, Washington, D. C., represented the National Association of Mutual Insurance Agents, of which he is secretary. J. M. Eaton, Chicago, American Mutual Alliance, and J. M. Battle also spoke.

General Gets Bridge Cover

LOUISVILLE, KY., Nov. 20.—The General of Seattle was successful bidder on the all risk insurance of the Kentucky highway department on its recently purchased Louisville & Nashville R. R. bridge, at Newport, Ky., insurance being written for one year. The bid was made by Bradshaw & Weil, agents of Paducah, Ky., and is reported to have been on a basis of 42 cents for U. & O. and 40 cents property damage, total premium \$4,524. The Continental and the Automobile of Hartford also bid. The pool rate is 45 cents.

The General was represented by Jesse Weil of the agency making the successful bid.

Oklahoma Reduction

The Oklahoma Insurance Board has approved a reduction of from 20 to 35 percent in fire rates on poor houses, children's homes, school buildings, academies, churches and similar institutions. This reduction supplements a recent lowering of rates for fire and tornado insurance affecting all publicly owned buildings.

St. Louis F. & M. in Texas

It was stated in a recent issue that the St. Louis Fire & Marine is withdrawing from Texas. This is not true. The company advises that it is closing its two service offices in Texas, one at Dallas and the other at Houston, but is continuing to operate in that state principally in San Antonio through the H. B. Gist Insurance Agency and in the writing of a combination policy with the Utilities of St. Louis.

Hot Springs Exchange Elects

At its last meeting, the Hot Springs, Ark., Insurance Exchange elected the following officers: C. C. Disheroon, president; J. H. Morris, vice-president; Miss Lillian Newman, secretary.

Inspection Bureau to Aid

In adopting a new policy by the public works administration for Oklahoma, safety for lives and property and savings of thousands of dollars are expected to follow in submitting plans for public buildings to the Oklahoma In-

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spection Bureau, of which C. T. Ingalls is head. Services of the inspection bureau will be gratis, it is said, and this will entail only slightly added duties of the bureau, given as a token of good will and service. Thorough inspection will be made of plans for buildings in regard to fire hazards and other items that would bear inspection from a safety point of view.

Moore Heads New Board

Paul D. Moore has been elected president of the newly formed McAllen, Tex., Exchange. James G. Hester has been made secretary.

Name Fire Marshal Director

James M. Hayes, Jr., former Virginia state motor vehicle commissioner and for six years inspector of railways and airports for the state corporation commission, has been transferred to the in-

surance division in charge of fire inspection work with the title of director of fire marshals. The post is a newly created one. Mr. Hayes is taking over the duties of J. L. Taylor, long chief deputy fire marshal, who will be assigned to other duties.

Tribute to Women

A tribute to the "women who have made a great contribution to the success of the insurance business," was paid by Secretary Sharpe W. Philpott of the Oklahoma Insurance Board, before the meeting of the Insurance Women's Association of Oklahoma City.

Mauk Speaks at Taylor

Raymond S. Mauk, Texas fire insurance commissioner, spoke to the 10th Texas regional district meeting of the Texas Association of Insurance Agents at Taylor.

Butte and Spokane offices, is being transferred to the Salt Lake City office.

To Hear HOLC Supervisor

DENVER, Nov. 20.—The film "Death Takes No Holiday" is to be shown at

the monthly meeting of the Denver Association of Insurance Agents Thursday. S. L. Drake, state insurance supervisor for the HOLC, will discuss the latest rulings relative to writing of policies. Mr. Drake has been for many years in the agency business. Frank England, Jr.,

PACIFIC COAST AND MOUNTAIN

Mountain Rules Modernized

Supplemental Contract and Pro Rata Term Insurance Rule Are Now Introduced in Territory

Most of the recent rule changes that have been introduced in the middle west, have now become effective in the mountain states of Colorado, New Mexico and Wyoming.

The modernized supplemental contract is now available there with the rule that was introduced first in Wisconsin that when the supplemental contract is issued, it must be issued to cover all of the constituent items.

The pro rata term insurance rule providing a method of adjusting insurance on public, religious and educational property, so that an equal amount will expire each year, is introduced.

The minimum premium on tornado policies and on combined fire and tornado is changed from \$3 to \$6.

The vacancy or unoccupancy rules are revised, eliminating charges in connection with protected dwellings and mercantile property.

The other insurance permit rule and permit is voided. Under the rule, now voided, in ninth and tenth class towns, in unprotected localities within protected towns (classes one-eight) and outside the corporate limits of classes one-eight, and in country districts except where a three-fourths value clause is attached, permission was given for other insurance with a proviso that the total shall not be in excess of the stipulated amount.

Coinurance credit for tornado rents are increased. Single state reporting forms are extended to include lumber yards of all classes. The windstorm and hail rule is revised, eliminating special contents rates. The use and occupancy minimum rate for sprinklered risks is changed to \$0.3.

Wyoming Public Insurance Is Revised at Big Saving

DENVER, Nov. 20.—In the revamping of the public insurance situation in Wyoming, made possible through co-operation of the Mountain States Inspection Bureau in Denver, Frederic Williams, secretary of the Rocky Mountain Fire Underwriters Association, and the state board of charities and reforms of Wyoming, the fact that insurance was carried on state buildings no longer standing was uncovered.

Total coverage prior to the survey amounted to about \$2,100,000, with three year premiums costing \$26,298. The coverage has now been revised and the insurance carried at present amounts to \$1,835,500, with three year premiums costing a total of \$19,568. Although

there has been a 25 percent saving in rates, the total coverage has been reduced only 13 percent because advantage was taken of the coinsurance clause.

It was learned that the placing of insurance had been handled by a representative of insurance agencies instead of by the board of charities and reforms; property at the penitentiary in Rawlins was considerably over-insured and thousands of dollars worth of buildings that had ceased to exist were still covered at a high rate.

At the state hospital it was found old property was over-insured to the extent of \$200,000 and that new construction, valued at \$100,000, was not covered. The cost of the insurance at the penitentiary was reduced about 45 percent. It was disclosed there was some duplication of coverage.

Women's League Elects New Officers at San Francisco

SAN FRANCISCO, Nov. 20.—Miss Audri Carolyn Ursin of Edward Brown & Sons, who has served so effectively as chairman of the entertainment committee of the San Francisco Insurance Women's League during the past year, was elevated to the presidency of the organization at the annual meeting Monday. Miss Ursin succeeds Miss Maritza Barkofcy of the Great American office. Miss Victoria Barbara Kummer of the Richards & Rhorer general agency, chairman of the publicity committee, was elected vice-president. Gladys Gilman Moxley of the Bankers & Shippers Insurance Company was made secretary, with Irene Eva Demartini of Atwell, Vogel & Sterling, as treasurer. As chairman of the publicity committee, Miss Kummer has served as editor of the League's eight page monthly "Bulletin" during her term of office.

Mrs. Marion G. Closser of the William P. Jarvis Agency of Oakland, served as chairman of the nominating committee with Metta Pease and Gloria Naber. The annual banquet and installation of officers will be held Dec. 5, in the ballroom of the Western Women's Club.

Adjustment Bureau Expands

Two additional casualty adjusters have been added to the staff of the Fire Companies Adjustment Bureau in accordance with the plan of the bureau to extend its facilities to cover all types of automobile, casualty and special risk claims. These additions are: Ross Osborne, who has been claims adjuster for the Travelers at Spokane, and Frank Martin, who has been with the same company in Seattle. Mr. Osborne will be attached to the bureau office in Spokane and Mr. Martin in Yakima.

M. MacLeod, who has been with the bureau for the past five years, in its

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CHICAGO NEW YORK SAN FRANCISCO

of Denver, new president of the state association, will be another featured speaker.

C. H. Tisdale Is Appointed

The Central Manufacturers Mutual of Van Wert, O., has appointed Charles H. Tisdale, former local agent at Portland, Ore., as special agent for Oregon and Washington. Since 1930 he has been doing special agency work in the two states.

Auto Dealers' Triple Profit

SPOKANE, Nov. 20.—According to Charles Cannon, president of the Spokane Board, automobile dealers here are not only licensed to sell insurance in one of the reciprocals, but the dealer also delivers the dividend checks made payable to the dealer. Taking into consideration that the dealer usually finances the premium, along with the automobile purchase, a triple profit is made.

Coast Hail Body Meets

The annual meeting of the Pacific Coast Hail Conference is being held in Spokane, Wash., Friday and Saturday of this week. The experience of the year is being reviewed and rate and rule changes are to be considered. W. B. Rasmussen of the Home of New York in Portland, Ore., is president and C. V. Laude of the Rain & Hail Bureau is secretary.

Three hail department executives from Chicago are attending. They are Jacob Nelson, America Fore; S. K. Bjornson, Rain & Hail Bureau, and T. G. Dahl, Great American.

Spokane Changes

Keith Rhodes, special agent Home of New York, has opened a new office in the Hyde building. John McGillivray, adjuster, and R. B. Anderson, special agent National Fire, and Earl E. Dewar, special agent London Assurance, have moved into the Spokane & Eastern Bank building.



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MINNEAPOLIS, MINNESOTA

EASTERN STATES ACTIVITIES

Graduated Commission Topic

Feeling Is That No Reduction Should Be Made on Premiums Up to \$5,000

BOSTON, Nov. 20.—At a meeting of the executive board of the Massachusetts Association of Insurance Agents in Boston, the matter of graduated commissions on compensation business was considered, echoing the recent expressions of Commissioner DeCelles. It was the feeling there should be no reduction of commission on premiums up to \$5,000. If there were to be reductions on premiums above that amount, it was felt the reduction should be borne proportionally by the agents and the companies, with the benefits going to the public.

Bank Business Lost

It was voted to hold a conference with the brokers on the matter of graduated commissions on guest rider coverage.

The National association will be asked to furnish the names of the companies which have rewritten the business of the 19 closed banks in the state, which has been lost to the agents who formerly wrote the business.

Employment of an executive secretary is to be taken up by a committee consisting of E. J. Cole, Fall River; C. C. Hewitt, Boston, and President C. K. Steele, Gloucester.

Philadelphia Board Situation

Officers of Association Are Continued Until Rating Bureau Controversy Is Ironed Out

PHILADELPHIA, Nov. 20.—The annual meeting of the Philadelphia Underwriters Association set a precedent by adjourning "until the call of the chair" shortly after being called to order. There was no election, the present officers and committees holding over in the interim.

This unprecedented action was taken because of the negotiations now going on between the agents and the Eastern Underwriters Association for revising the present set-up of the Philadelphia Board.

The agents have complained of the rating system of the Middle Department Rating Bureau. They have contended that the present method was increasing competition by non-board and mutual companies. They have complained further that under the present arrangement the agents have no voice in the rate making.

One of the suggestions made at the series of conferences already held is that the board go back to the old system whereby the rates were fixed by the executive committee which was composed of both agents and company men in equal proportion.

The companies, it is said, have agreed that the situation in Philadelphia needs attention and that complete cooperation is needed between them and the agents if the non-board competition is to be met successfully. They are also said to have admitted that this competition has made revision of the present rate-making set-up necessary.

It appears to be a foregone conclusion that a plan for rehabilitation of the Philadelphia board will be adopted before the end of the year. One thing appears almost certain—that the agents will have a voice in the rate fixing.

State Actuary Reappointed

H. L. Hall has been reappointed associate actuary in the Connecticut insurance department.

Connecticut Agents Exercised

Well Known Local Agency Takes on Representation of Two Mid-Western Mutuals

BRIDGEPORT, CONN., Nov. 20.—Connecticut local agents are considerably exercised over the growing competition of non-stock companies. A well known agent of this city recently accepted the general agency representation of two leading mid-western mutuals, and is reputed to have engaged the services of an eminent engineer at a substantial salary under a two-year contract. An effort is being put forth by the office in question to secure representation for the mutuals in orthodox stock agencies, although under the E. U. A. regulation, stock agents are only permitted to handle New England mutuals.

A short time ago a \$1,280,000 schedule covering a number of choice brick residence properties here, was lost by stock companies to non-stock institutions, following the public buildings which for years paid carrying stock offices an annual premium of approximately \$30,000.

Open Boston Office

BOSTON, Nov. 20.—Marsh & McLennan has opened a New England branch office at 10 Postoffice square in the heart of the insurance district, with Ernest B. Neal, Jr., in charge as vice-president. Mr. Neal is a Massachusetts man who was formerly with Gilmore, Rothery & Co., from 1928 to 1932, when he opened the Boston office of VanderPoel, Francis & Woods, Ltd., from which he now resigns.

Pennsylvania Appointments

Several appointments to the staff of the Pennsylvania insurance department are announced. J. A. Sexton of Philadelphia has been appointed publicity man for the department at a salary of \$3,000. C. K. Knight of Upper Darby is actuary at a salary of \$2,400; J. D. Muldowney, Jr., Philadelphia, examiner, \$2,100, and A. M. Merkel, Pottsville, clerk, \$900.

Pennsylvania Solons to Meet

PHILADELPHIA, Nov. 20.—Announcement by Governor Earle that he would shortly issue a call for a special session of the Pennsylvania legislature to devise means of raising funds for relief and to pass social security legislation, has caused insurance men to wonder how much of the legislation will be aimed at them. At the last session there were tax measures aimed at insurance.

The Insurance Federation of Pennsylvania has compiled an attractively bound booklet containing the new laws affecting insurance passed by the 1935 session of the Pennsylvania legislature together with vetoes by Governor Earle and a schedule of measures which failed of passage. The work, which was compiled by Homer W. Teamer, secretary-manager, is being sent to more than 3,700 members.

Advanced in Massachusetts

BOSTON, Nov. 20.—The appointment of Michael T. Kelleher at Cambridge, Mass., to succeed Edgar P. Dougherty of Lowell as second deputy insurance commissioner of the Massachusetts department was made by Commissioner Francis J. DeCelles and approved by the executive council. Mr. Kelleher has been second deputy auditor in the state auditor's department for five years and had 15 years' previous experience in banking. Mr. Dougherty went into the department in 1927 when the compulsory automobile liability act went into effect and was made third deputy

in 1929 and second deputy in 1932. He has been connected with the Massachusetts automobile rating and accident prevention board which prepares the automobile liability rates under the compulsory law.

Motor Insurance Events

Agents', Dealers' Agreement

Accord Reached in Kansas City After Auto Men Protest Support of Banks

KANSAS CITY, Nov. 20.—Following the recent protest of the Motor Car Dealers Association that insurance agents were advertising financing by banks, that organization and the Insurance Agents' Association have worked out an agreement outlining general conditions of procedure in regard to insurance on financed automobiles for members of both groups.

The agents' association agreed to use its "diligent efforts" to have the following mailing filler used exclusively by members and other insurance agents: Announcement—Your New Car * * * Its Insurance. Practically all automobile dealers and organizations financing auto loans on new and used cars have agreed to accept our automobile policies. Therefore, to obtain proper protection and our agency services, insist on our policies. * * * Insure with an Insuror. * * * N. B.—Please notify us of any automobile financing organization that refuses our policy.

Dealers and financing organizations agree to accept automobile insurance policies on the standard form in a satisfactory company from any member of the agents' association.

Truck Competition Is Keener

Competition for fire and theft insurance on trucks and trailers has become intense lately. There is a fear on the part of some observers that the new competition may demoralize this type of business. For some time, those companies that have been willing to write trucks have been underwriting the business carefully, conducting inspections and have not had trouble getting a rate commensurate with the risk. Now there is reported to be a tendency on the part of some of the companies, who have not heretofore been active in the field, to go after the business in a competitive way and this is causing some disturbance.

Michigan Department Acts

LANSING, MICH., Nov. 20.—Effort has been renewed by the Michigan department to curb solicitation by representatives of the Fidelity Mutual Association of Minneapolis, an unlicensed carrier which has been offering a so-called "automobile service contract" embodying certain insurance features. The premium is \$30 to \$40. The carrier, also, it is reported, has been pushing a combination health and accident and life policy.

Landis Heads Automobile End

William McGirr, manager of the automobile department of the Central Manufacturers Mutual of Van Wert, O., is retired on a pension and is succeeded by M. L. Landis, who has been special agent of the Lumbermen's Mutual Casualty in Ohio. Mr. Landis attended Muhlenberg College at Allentown, Pa. He took the law course at Ohio State University and later attended Iowa State University and Columbia. He was an instructor in the University of Tulsa for some years.

Members of the American Legion Insurance Post are perfecting plans for a "Boy Scout Good Deed Christmas Party" for under-privileged boys of San Francisco, to be held Dec. 20.

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November 21, 1935

CASUALTY AND SURETY SECTION

Page Thirty-one

Seeks Elimination of Agent from Act

Casualty Executives Association
Petitions D. of C. Unemployment Compensation Board

SEE CONFUSING FACTOR

"Independent Contractors" Are Excluded in the Setup, but Salesmen on Commission Are Included

A brief has been filed with the unemployment compensation board of the District of Columbia on behalf of the Association of Casualty & Surety Executives requesting that general agents and soliciting agents be explicitly excluded from the district unemployment compensation act. The brief was prepared by H. J. Drake, attorney for the association. Similar briefs had been filed previously by the Life Presidents Association and the American Life Convention.

The District of Columbia unemployment compensation act is scheduled to be the first to go into effect under the social security act. Although tax payments under the federal act do not begin until 1937, the District of Columbia act provides for monthly reports and payment of tax beginning in 1936.

Employer Is Defined

The District of Columbia act specifies that anyone occupying the position of master in the relationship of master and servant is an employer. The ordinary rules of law relative to master and servant will apply to cases involving this problem.

Then there is a provision that services performed by salesmen on commission and piece workers are among those included in "employment" within the meaning of the act.

Confusion arises because of the fact that although services performed by an independent contractor are excluded, salesmen on a commission basis are included.

Contention of the executives association is that general agents and soliciting agents on a commission basis who do not receive a regular salary, representing casualty and surety companies, should be expressly excluded from the act on the ground they are independent contractors and not employees or servants.

How Agents Operate

The brief then goes on to explain how local agents operate, pointing out the insurance company does not dictate the mode and method of production, but merely attends to the technical servicing after the business is produced.

The fact that an agent represents many companies is an indication that the master and servant relationship does not exist.

(CONTINUED ON PAGE 39)

Greene Favors Removing Fire, Casualty Fences

NEW YORK, Nov. 20.—Wider application of the deductible coverage principle and the writing of automobile public liability policies for less than the standard \$5/10,000 minimum were among the suggestions made by Vice-president W. W. Greene of the General Reinsurance in his presidential address at the Casualty Actuarial Society's annual meeting here last week.

"Are we making full use of the known sources of casualty business?" Mr. Greene asked. "I venture to say we are not, even though the casualty premium curve looks better than most business trends right now. Ours is a young business. The increase to date has been largely due to mere capillary attraction. What happens from now on depends more on our efforts."

Claims Rigidity Overdone

Decrying "the swathing of our infant industry in such a welter of protective bandages as to threaten its circulation altogether," Mr. Greene said responsibility for many of these restrictions seems to be so evenly divided among the home offices, producers, and insurance departments that no one feels responsible.

"In the matter of coverages, for example, it seems to me that rigidity has been overdone," he declared. "The accident business appears to be taking on new life and hope under its valued policy program, yet any deviation from the generally accepted standard still is anathema in the liability and compensation field. Granting that no company should be permitted to offer any contract at less than a demonstrably safe rate, why shouldn't a company be permitted to write a restricted contract at a proper differential, provided the assured is good for the difference in limits—and regardless of the assured's financial ability where insurance is not compulsory and is not now being carried by the majority of risks?"

Fixed by Medes and Persians

"Possibly it was the Medes and the Persians who fixed the minimum amount of automobile liability insurance at \$5/10,000. The majority of automobile operators are not good for this amount and do not buy insurance. Just what has been accomplished by this idealistic minimum? Would it not be better that the injured recover a few hundred dollars than that he recover nothing? Do we know that these low limit policies could not be written at a profit? As regards the well-to-do automobile owner, why do we not consider cutting the cover at the lower end, by offering a substantial rate cut in return for an equally sizable deductible.

"Speaking of deductibles, I am now inclined to think that our traditional prohibition of them in the compensation business is all wrong. From direct observation of self insured I would say that when the assured spends his own money he becomes interested in accident prevention as he seldom is otherwise and the experience consequently improves."

Two concepts that have hurt the casualty business are the "multiple line

fetish" and the watertight compartment plan of charter powers, said Mr. Greene. Having to give service in all states on all lines has proven costly for many companies and deadly for some, for the casualty business as at present divided up is much too thin for most companies in most states, he said, and most would do well to specialize in a comparatively few lines, obtaining their volume through an intensive cultivation of a limited area.

Expressing gratification at the renewed interest in the charter powers of insurance companies, Mr. Greene called attention to an address by Clarence W. Hobbs, special representative of the insurance commissioners on the National Council, at the commissioners' convention in 1923, which pointed out the lack of logic in the present arbitrary and non-uniform distinctions between the three classes of insurance companies.

Cites British System

The British system of allowing one company to transact all classes of business may or may not be appropriate to American conditions, said Mr. Greene, but "at least there would seem to be no compelling reason why one company with adequate resources should not be permitted to transact all lines but life." The importance of the subject is intensified by the restrictions imposed by certain states on the ownership of insurance stocks by insurance companies and by the new federal tax on intercompany dividends, he pointed out.

Drawing an analogy from business and industry, Mr. Greene said "if we are to avoid a perennial choice between the dole and 'boondoggling', production must in major part consist of sound, attractive goods intended for consumption by the common man at a price he can and will pay.

"The casualty business, too, must be largely directed toward a wholesome development of the smaller units of coverage. Those casualty insurance institutions that are forewarned of this tendency will profit accordingly.

(CONTINUED ON PAGE 39)

Can Not Deduct Reserve as Unpaid Losses Item

WASHINGTON, D. C., Nov. 20.—Insurance companies writing workmen's compensation and liability insurance are not entitled to a deduction in their income returns, as "unpaid losses" of a reserve based on the amount of premiums, under an opinion rendered today by the United States board of tax appeals in the case of the Pacific Employers of California.

The board in its decision pointed out that the Revenue Act of 1928 does not allow for such deductions by insurance companies other than life or mutual, even though such reserves may be required by state law. In lieu of a deduction for unpaid losses, it was held, the deduction allowable is the amount computed as to the company's probable liability on claims filed.

See London Lloyds As Plunging Here

Craze for Volume Is Producing Spirit of Recklessness, Observers Say

YOUNGER GROUPS ACTIVE

Free Acceptance of Occupational Disease Liability Is Cited as Example of New Attitude

Those who are acquainted with the London Lloyds setup and have been following their operations in this country, are becoming more and more convinced that the younger groups of the London underwriters are taking big chances here in their craze for volume. Some who have visited London recently report that the older groups of underwriters share the same opinion of the activities of the younger syndicates and are concerned, if not alarmed.

Some of the people doing an excess business in this country observe that London Lloyds are taking compensation risks on various bases that offer an occupational disease hazard and the opinion is expressed that the London underwriters are accumulating potentially dangerous liability. They are picking up liability that American companies won't accept.

Long Haul Truckers

Another direction in which an alleged spirit of recklessness is observed is in the long haul trucking business. Some of the London groups have been approaching some of the small, local companies in this country on the proposition of entering new states and going after the long haul trucking risks. This business would then be reinsured 100 percent with Lloyds. The policy of the direct writing company would be filed so that the truckers could get the necessary certificates from the state authorities. But the direct company assumes none of the real liability.

The number of underwriters at Lloyds has doubled since the war and the competition is intense. Few of the older groups are making trouble in this country, because they are conservative and also because they are getting a good volume of reinsurance from the regular companies in this country. The younger groups that are not sharing in this reinsurance have nothing to lose by competing with the regular companies here.

Reputation Is Changing

London Lloyds has the reputation of demanding that they be put in possession of the true and full situation surrounding every risk and they expect their connections to follow a high minded course in this respect. Such a relationship undoubtedly existed when the number of brokers in this country with London Lloyds connections was limited and

(CONTINUED ON PAGE 39)

Extend Theft and Larceny to Mercantile Open Stock

ENDORSEMENT, RATES GIVEN

National Casualty Bureau Also Adopts Tentative Rates and Rules for Destruction Policy

Extension of theft and larceny coverage to mercantile open stock burglary policies and consideration of the money and securities destruction policy brought out not long ago by the Indemnity of North America, a nonbureau company, are announced by the National Bureau of Casualty & Surety Underwriters. Rates and rules for the destruction policy tentatively have been adopted. The policy, however, is in a formative state.

A suggested endorsement form for mercantile open stock theft and larceny coverage is bulletined to member companies, and is now available for use. The rate for the extended coverage is 75 percent of the gross open stock burglary premium before any discounts are allowed. If only a portion of the burglary insurance is extended to cover loss by theft, the additional premium must be computed upon the initial thousand's rate. While the rate quotation is given for guidance, all risks must be submitted to home offices for individual rating.

Urge Care in Selection

It is pointed out there is no experience to enable companies to formulate definite underwriting rules for this additional coverage and it is believed exceptional care must be exercised in selecting risks. There should be thorough investigation to determine the number and extent of previous theft losses, and a risk which has produced more than one loss in excess of the average inventory shortage must be declined. The companies are urging that there be no general solicitation of this coverage.

The bureau's destruction policy differs somewhat from that of the Indemnity of North America. The bureau policy will apply only while money and securities are within a designated premises. "Destruction" as used in the policy includes such hazards as fire, lightning, cyclone, windstorm, tornado, hurricane, earthquake, strikes and riots, civil commotion, collapse of building, falling objects, water damage, floods, and also malicious damage and explosion, except when incidental to an actual or attempted burglary, robbery or theft.

The tentative rates are: For financial institutions, such as banks and investment brokers, having vault of type 6 construction or better in which the property is normally kept at night, a flat annual rate of 50 cents per \$1,000. For mercantile risks where the insurance is not limited to fireproof safes, the rate to be the fire contents rate which is applicable thereto, less 25 percent. For mercantile risks where the insurance is limited to fireproof safes, the rate is the fire contents rate less 50 percent. Annual minimum premium is \$50. Three-year policies may be written. A specific amount of insurance must be applied to location and not blanket over more than one location.

North America's Policy

The Indemnity of North America's policy covers valuable papers such as inspection reports, indexes, accounts receivable, evidence of debt, mortgages, deeds and other similar files, against destruction and theft on a valuation basis, in addition to money and securities on assured's premises against destruction by fire, lightning, etc. The North America rates are, 5 cents per \$100 for financial institutions with type 6 vault on premises or deposited in such a vault when not open for business, with no warranty required when vault is not on premises; 50 percent of fire contents rate if property is kept within fireproof safe when not actually in use, otherwise

New President



J. P. KEEVERS

J. P. Keevers, resident vice-president of the Maryland Casualty, was elected president of the Surety Association of Chicago at the annual meeting Tuesday evening.

Will Broaden Organization

Philadelphia Accident & Health Underwriters Association Will Take on Greater and Enlarged Activities

PHILADELPHIA, Nov. 20.—The Philadelphia Accident & Health Underwriters Association of Philadelphia has decided to broaden its activities. This action was taken following a report submitted by W. G. Payne, Employers Liability, chairman of a temporary educational committee. The report recommended:

1. A question-box should be maintained.
2. It should immediately investigate the features of the National Accident & Health Association and should either join and adopt its sales, educational and advertising plans or else should prepare and adopt similar plans "which we consider to be superior."
3. Increasing the membership by taking in agents and brokers.
4. Securing outstanding speakers.
5. Adoption of a definite educational course to be conducted for members, agents and brokers. The course would include: Economic aspects of accident and health; its history and development; classes and kinds of policies; comparison of policy terminology; comparison of policy restrictions or "not covered" provisions; discussion of standard provisions; underwriting with physical hazard, particularized and explained, moral hazards covered and affect of agents on underwriting results.

Methods of selling would be treated including securing prospects, seeing prospects, selling prospects, closing sales, service subsequent to the sale.

75 percent. The \$50 minimum premium is applicable and three-year term policies are written at two and one-half times annual charge.

Theft and larceny coverage heretofore have not been obtainable from bureau companies on mercantile open stock risks, there being thus a gap in coverage which might have left serious uninsured loss. The mercantile open stock policy covered only burglary and holdup, the holdup provision being that the deed must have been committed in the presence of the assured or an employee by threat of violence, etc., and the burglary committed so that visible marks of forcible entry were left.

Casualty Men Watch Closely Moves Made by Lawyers

BAR SEEKS RESTRICTIONS

Steps Taken in Several States to Prevent Insurers from Defending Actions in Behalf of Assured

NEW YORK, Nov. 20.—Casualty executives are giving serious attention just now to the effort on the part of lawyers in different sections of the country, acting either independently or through local bar associations, to prohibit casualty companies from rendering legal service to assured against whom damage claims have been filed. The contention of the objecting attorneys is that in rendering such service the companies are engaging in the practice of law which is not warranted either under their charter provisions or under the statutes.

Appeals to the courts in such connection have been made in Georgia, Massachusetts, Missouri and Ohio within the past few months, and reports are current that similar moves are contemplated in other states.

Terms of the Policy

Under the terms of the customary liability policy the insuring company agrees to assume liability for such damages as may be assessed against the assured, and pledges to defend court actions and to defray all costs in that connection. It is the latter feature that the independent lawyers allege violates the law, despite the fact that all attorneys appearing for the carriers are accredited members of the bar.

The guarantee of the insurance company to defend any damage action against its policyholders constitutes one of the strong selling arguments for liability policies, since the average assured appreciates the advantage of having a case handled by specialists. From the insurance company standpoint the wisdom of having claims supervised by trained lawyers, instead of assigning their handling to general practitioners is obvious; hence the concern executives are showing over the attempted prohibitive actions.

Clark to Call Meeting

B. G. Clark, a leading Missouri attorney recently appointed by the supreme court chairman of a committee to review broadly the extent to which banks, trust companies, real estate, building and loan, insurance and other institutions may be performing legal services, is expected soon to call a general conference of interested parties at St. Louis.

The casualty companies will be represented by a committee headed by J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, with O. R. Beckwith, Aetna Life; W. A. Earl, Hartford Accident; R. N. Caverly, Fidelity & Casualty; Charles Deckelman, Travelers, and William Cavanaugh, National Bureau, as associates.

The importance of the matter cannot be overestimated. Insurance men are now alive to the fact that if the lawyers' drive in Missouri is effective, the movement will be taken up by bar associations in other states. In fact, several suits to that end already have been instituted in the south and the middle west.

DATE FOR MISSOURI SUITS SET

ST. LOUIS, Nov. 20.—Circuit Judge O'Malley has set Dec. 5 as the date for hearing the suits to restrain Dun & Bradstreet, and the Credit Clearing House Adjustment Corporation from engaging in the alleged unauthorized practice of law. On the same date Judge O'Malley will hear the case brought by the St. Louis Bar Association's committee of unauthorized practice of law against H. D. Pagels, operator of a collection agency.

Discuss Arbitration Plan as to Casualty Issues

VAN SCHAICK WAS CHAIRMAN

Feeling Prevails That More Can Be Accomplished in Settling Disputes Out of Court

NEW YORK, Nov. 20.—At the initial meeting of the casualty committee of the American Arbitration Association here, the methods employed and the measure of success attained in settling disputed casualty claims through arbitration was reviewed, and means suggested for securing more ready acceptance of the arbitration principle by assured, a number of whom remain skeptical particularly if their cases are upon court calendars.

Should Increase Effectiveness

While the association service is now used by 29 important casualty companies, as against 13 cooperating two years ago, the feeling was that the effectiveness of the body would be increased were companies to submit cases with greater regularity so as to conserve the time of the conferees. The Hartford Accident & Indemnity, one of the first of the carriers to recognize the value of the arbitration method of claim handling, has since been consistent in referring cases to the association; a practice that might be emulated with advantage by other offices.

Medical Fee Arbitration

While the association's medical fee arbitration service has been largely surrendered in consequence of a recent amendment to the state workmen's compensation law, the association still feels it can be of aid in such connection in inter-company dealings. The thought was further expressed that such service might with advantage be extended to nonaffiliating casualty companies.

As chairman of the insurance arbitration counsel division of the general association, former Superintendent G. S. Van Schaick presided at the committee gathering, which was attended by committee members, Frederick Richardson, manager General Accident; Charles Deckelman, manager casualty claim department Travelers; W. A. Earl, Hartford Accident & Indemnity and Miss Emma Maycrink, insurance department. Also present were: Miss F. Keller, first vice-president, and J. N. Braden, arbitration secretary of the American Arbitration Association.

Casualty Adjusters Meet

The great difference in handling claims and litigation in Chicago and elsewhere in Illinois was brought out in an address by C. W. Heyl of Peoria, a prominent attorney, in a talk on "Trial of a Negligence Case Outside the Metropolitan Area," at the November meeting of the Casualty Adjusters Association of Chicago. The election of officers was held.

Thomas Coen, Security Mutual Casualty, headed the slate presented by the nominating committee, to succeed C. H. Ruttle, Continental Casualty. Others slated for election were: Vice-president, D. W. Elliott, Bankers Indemnity, and secretary-treasurer (for reelection), R. T. Luce, Western & Southern Indemnity. Mr. Luce is the perpetual secretary. Mr. Coen has been vice-president in the last year.

Reduce Rate Request

OKLAHOMA CITY, Nov. 20.—The Oklahoma Insurance Board will hold a hearing Dec. 17 on the revised request of the National Council on Compensation Insurance for an average 34.6 percent increase in compensation rates. Originally, the council requested increase of 57 percent.

Municipal Taxes Are Big Problem

New Cities Continue to Find Old
Ordinances for Taxing
Insurance

EACH SITUATION DIFFERS

Agitation Is Heard to Cause Casualty
Companies to Load the Rates to
Cover the Levies

NEW YORK, Nov. 20.—A rising tide of tax levies upon insurance companies on the part of municipalities throughout the country is reported by executives. There are very few new tax ordinances being passed, but every week or so some town discovers an old tax ordinance and proceeds to bill the insurance companies and usually includes back taxes.

Each case presents a different problem. It may be a license tax for the agent and the company, a personal property tax on accounts receivable or an occupational tax based on premiums written, which is really equivalent to a regular premium tax.

The company must investigate the local situation, discover whether the tax ordinance is based on statutory law, whether it is a first, second or third class city.

Much Correspondence Involved

A vast amount of correspondence is involved. Usually the city authorities have only a vague notion of what they are trying to do and their replies to correspondence are equivocal and unsatisfactory. It is hard to pin the city authorities down to any thing.

Some times a company will send a special agent into the city to investigate. If the situation gets too "hot," very often the company individually or a company association must hire local attorneys.

The accounting department cannot keep track of when the taxes are due in the various municipalities and, of course, it would be suicide to write out to the cities and ask them for this information.

Trend Noted for Some Time

This trend has been noted for some time and that it is continuing at a rapid rate is reported by those who have been following the situation.

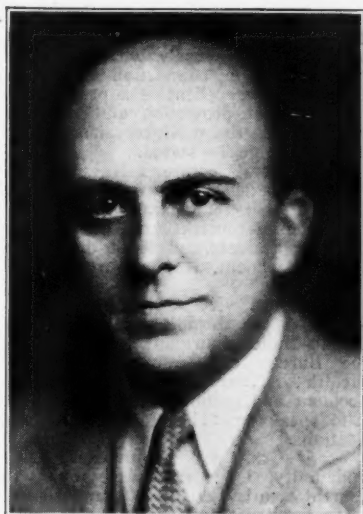
It is a source of exasperation to those charged with responsibility for the tax affairs of the company. The cost of the tax itself is not the only expense by any means. The amount of time spent on these various situations at the home office is expensive.

The fire companies load the rates to take care of the taxes in the various municipalities, but the casualty companies do not do so in a systematic way. Some agitation is being heard in favor of the casualty companies keeping up more systematically with these increased levies.

WEST VIRGINIA SITUATIONS

NEW YORK, Nov. 20.—The Association of Casualty & Surety Executives has asked members to report what their experience has been with regard to taxation in the West Virginia cities of Wheeling and McMechen. The association reports that Wheeling is demanding the payment of 2 percent premium tax by foreign companies under an 1881 ordinance, as amended in 1914. The association states it has been advised that some of the casualty companies have paid this tax but that the life com-

Reelected



W. W. GREENE

W. W. Greene, vice-president and secretary of the General Reinsurance, was reelected president of the Casualty Actuarial Society at the annual meeting.

Steam Boiler Companies Hopeful, Hire Inspectors

NEW YORK, Nov. 20.—That steam boiler and machinery writing casualty companies anticipate increased business is evidenced by the desire of several carriers to engage additional inspectors. In employing men for this work the demand is for those that have had similar experience, either with companies or in large machinery or electrical plants, and who are competent thoroughly to check up the mechanical appliances of a plant. Occasionally young graduates of technical colleges are engaged but before being permitted to make outside inspections, they are required to spend several years in the office learning just what is expected of them when working independently.

Little Premium Increase

It is a question whether the premium income of the companies will show any particular gain this year, much of the business, usually written upon a three year term basis, having been renewed in 1934. There has been, however, a steady increase in the call for coverage from public utility plants, many of which refrained from taking out additional insurance during the past six months or more, because of the attitude of the federal government toward their particular industry, and consequent uncertainty as to the future. Fear seems to have subsided somewhat of late, many of the properties now feeling warranted in installing new plant equipment and in purchasing adequate indemnity.

Chicago Glass Breakage

There have been a number of plate glass breakages in Chicago recently due to malice of some kind. Just now there is a strike of the window washers on and the number of policemen in the business district has been increased on account of it. It is found that a number of breaks are due to sling shots fired from automobiles. In this connection some of the plate glass insurance men say that back of this activity must be the glass setters who are endeavoring to increase business.

panies have employed lawyers to resist payment.

The city of McMechen has passed an ordinance for a similar tax, but apparently has made no effort to enforce it.

Travelers Man Asks Study of Occupational Plan

Pinney Sees Merit in Effort to
Measure Characteristics
of Driver

NEW YORK, Nov. 20.—Careful and thorough consideration of the practicability of an occupational classification system in the underwriting of private passenger automobile property damage and public liability insurance should be given by casualty companies as promptly as possible, S. D. Pinney, associate actuary, casualty actuarial department, the Travelers, told members of the Casualty Actuarial Society in the informal discussion on automobile liability rating at the annual meeting.

"The ideal system of classification rating of private passenger cars would be one which adequately measured the individual characteristics of the operator," Mr. Pinney said. "Unfortunately, no such idealistic system is possible and consequently the problem confronting the carriers is to find a substitute which in a practical manner will come as close to the ideal as possible. Certain companies have advocated and are using an occupational classification system in the writing of private passenger automobile insurance. It may be that there is more to this than appears to be justifiable on off-hand consideration.

A. & H. System Compared

"It has been claimed that the use of an occupational classification system would be analogous to the use of the classification system used in connection with accident insurance. There is, of course, the fundamental difference that automobile liability involves third-party liability coverage whereas under accident insurance the assured is also the beneficiary of claim payments. However, it is possible that upon thorough investigation there may be found a consistent differential in the experience according to occupational classes and therefore it is felt that the carriers should immediately make provision for revising the automobile statistical plan so as to include codes for the occupation of the assured.

Suggests Other Remedies

"It would be necessary under such a system to provide for a signed application from each assured, similar to that required in connection with accident insurance. The purpose of such a signed application would be to bring out the information necessary for proper rating of the assured, but it could be argued that it would be a simple matter for an assured to misrepresent the facts in order to secure a lower rating. This feature would of necessity require careful consideration in connection with any such plan of occupational rating. It would be interesting to obtain the ex-

perience of various companies writing accident insurance as respects this particular point."

Earlier in his talk Mr. Pinney discussed other suggested remedies, their good points and drawbacks. The deductible plan, for example, would, on a \$100 deductible personal liability plan, give a rate reduction of only about 12.5 percent, while, if applied to property damage as well, would yield a reduction on the combined rate of about 25 percent, but he expressed the opinion that this would hardly be enough to attract many motorists, on account of the restricted coverage.

Elimination of "family guest" claims would justify a rate reduction of only 2 or 2½ percent in liability rates, but was recommended by the speaker to cut moral hazard. Eliminating guests other than family members, he felt, would entail adverse selection and danger of the assured's misunderstanding the coverage.

The W, X, and Y classifications have become for practical purposes virtually meaningless, the make or weight of the car having considerably less significance than such items as the individual characteristics of the operator, the use to which the car is put, the annual mileage, driving and legal conditions where the car is mainly used. It was in an effort to measure individual characteristics and car uses that Mr. Pinney suggested consideration of the occupational classification system.

Sound Public Relations Are Urged by Mortensen

The fine record of the insurance business during the depression was due to efficient management and close contact between the insured and the companies said Commissioner H. J. Mortensen of Wisconsin in his talk at the annual banquet of the Wisconsin State Association of Mutual Companies. No life company and only a very few fire and casualty companies doing business in Wisconsin were required to submit to liquidation, Mr. Mortensen stated, and even those companies were in position to pay most of their liabilities in full.

In discussing the public relations of insurance companies Mr. Mortensen said corporations are not usually in good favor with the general public and whenever a contest arises between individuals and a corporation which must be solved through court action, there is usually bias and prejudice against the company on the issues involved.

This situation is somewhat influenced by the conduct of the officers and representatives of a corporation in their dealings with the public. Human beings, however docile in their individual capacity, are prone to arrogate onto themselves a large measure of human authority when they become vested with official power. They seem to lose that compassionate attitude of dealing justice and equity between man and man and pursue a course of dealing at arm length and use harsh methods to the advantage of the corporation which they are serving in a representative capacity.

Brought Into Disfavor

"Such practices have resulted in bringing corporations into public disfavor and in order to start the trend in the opposite direction it would be well to take this situation under consideration. Sharp practices and hard dealings with people who have purchased protection and suffered losses such as claimants under an insurance contract, should not be countenanced in the insurance business.

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Held for Final Verdict After Failure to Settle

MILWAUKEE, Nov. 20.—Failure to settle an automobile claim for \$5,000 under its policy with \$5,000 limits, may cost the Maryland Casualty an additional \$10,000 if the verdict of a jury in circuit court here is upheld. Suit was brought against the insured and judgment against him was secured for \$24,000, after the failure to make a settlement. The verdict was reduced in that case by the court to \$15,000 and judgment given against the insured for that amount. The insured, R. H. Lanferman, then brought suit against the Maryland for the entire amount and has just won a verdict from the jury.

ACCIDENT AND HEALTH FIELD

Give Three Sales Viewpoints Clear Contract Is Desirable

Great Northern Men Present at A. & H. Club Meeting—More Lower Priced Policies Urged

Practical selling helps for accident and health agents presenting the viewpoints of an executive, a producer and claim man featured the November dinner meeting of the Chicago Accident & Health Club, the second in a new series of sales stimulating programs.

The Great Northern Life supplied the speakers with E. H. Ferguson as chairman. President H. G. Royer told of the difficulty the average salesman experiences in collecting accident and health premiums. People find it hard to pay a large premium and many agents try to sell too large a policy. If more attention was devoted to small policies which sell more easily agents would undoubtedly make more money. Home office men need field experience today to get the viewpoint of agents and Mr. Royer advocated the spending of a week every two or three months in the field.

"A salesman," stated Mr. Royer, "should be taught how to obtain prospects so when he concentrates on these names, works systematically and expends honest to goodness effort he will realize a good investment on his time. We try to help our agents build prospect lists and also work with them in following through on this list so that the prospect will get in a proper frame of mind."

Intoxicated Determination Key

E. J. Nitz, a 25 year veteran producer with the Great Northern and a second year Black Cat Club qualifier, said determination of an agent is 50 percent of the sale. "Intoxicated determination" within the agent himself is an absolute necessity for the man who wants to make a success of the accident and health business, said Mr. Nitz. An agent's mental attitude must be right. Before calling on a prospect if he feels he is going to walk out with a check, in many cases he will do it.

C. O. Pauley, secretary Great Northern, gave selling helps from the viewpoint of the claim man. He urged agents to "sell yourselves to the claim man in your company to get the best results for you and your assured." To obtain good claim service, he suggested that agents sell policies right, avoid haste and carelessness in writing the applications, decline doubtful risks and if a claim is given an agent, to explain to the policyholder right then just what he is entitled to from the company on the particular claim.

The December meeting featuring another sales idea program will be in charge of Davis W. Ellis, Illinois state manager Monarch Life.

Patterson Is Assistant Secretary

Kenneth Patterson has been appointed assistant secretary of the Great Northern Life. He was formerly secretary of the Midland Casualty of Milwaukee, which the Great Northern took over. He has been assisting Vice-president John Patterson in the operation of the monthly premium accident and health department, he being his son. He is a University of Michigan graduate.

Oregon Association Organized

PORTLAND, ORE., Nov. 20.—The Casualty Association of Oregon is now in course of organization. At the initial meeting, N. K. Sprott, assistant manager United States Fidelity & Guaranty, presided. Others interested are Wilson Schiffer, Seel & Co.; Stuart Filler, American Surety; James Kelly, manager Maryland Casualty.

Negative Type of Insuring Clause Penalizes Company in Court, Detroit Club Told

Standard provisions of accident and health policies are mandatory by statute, but the insuring clause is the essence of the policy, P. H. Schultz, independent adjuster, until recently liability claims adjuster for the General Accident in Detroit, told the Accident & Health Managers Club at the November meeting. Standard provisions do not in any way modify the insuring clause, he said. The Michigan supreme court has ruled that intent of the insuring clause is determined by exact interpretation. The tendency of courts in recent years has been to hold for the company in litigation in such cases. The insured is not permitted to read into the insuring clause some inference that is not set forth clearly in it.

Negative Clause Hazardous

Insuring clauses which follow the negative trend, however—setting forth the coverage and then limiting it by exclusions—are dangerous for the company, since the tendency of courts is to find for the assured if there is doubt as to interpretation.

He outlined eight familiar types of insuring clauses and discussed the intent and extent of liability under each. He urged the salesmen to sell their companies and insuring clauses rather than to stress features that might be misconstrued.

Following the report of the ways and means committee by Chairman R. J. Long, president Great Northern Agency, members voted to extend membership privilege to salesmen as well as managers, to change the name to Detroit Accident & Health Insurance Club, to change the meeting date to the second Tuesday each month, to purchase badges to identify members at meetings, and to prepare and publish a directory of members as of Jan. 1.

Plans were made for a membership drive under the new eligibility clause in the constitution. Fred Grainger, director of agencies Federal Life & Casualty, will be membership chairman. The suggestion that the annual sales congress be held a week before Accident & Health Week, April 20-25, was adopted. R. H. McKinnon, agency director Massachusetts B. & I., presided.

Inaugurate Lecture Series

First Meeting of Group Sponsored by New York Accident & Health Club Held

NEW YORK, Nov. 20.—"Because the average person seldom reads his policy carefully, it is essential that the agent or broker be fully acquainted with his business and have a full knowledge of the protection he is selling," L. W. Winslow, manager accident and health department Fireman's Fund Indemnity and chairman educational committee, Accident & Health Club of New York, told 400 agents and brokers in the first lecture of an educational series sponsored by the club. He urged the agents to emphasize protection to home, family and business in their talks to clients.

E. S. Lott, president United States Casualty, said he thought that the accident and health coverage is the simplest form of insurance and yields an excellent income.

According to E. H. O'Connor, chairman governing committee Bureau of Personal Accident & Health Underwriters and manager accident and health department United States Casualty, "To be a successful salesman, the individual

must believe in his product, whatever it is, and in order to believe in the product, he must know all about it." The larger portion of the business is written by persons who specialize in it and life insurance, he said. Policies written by brokers and general insurance agents often represent purely what they have "picked up" in connection with other classes. Every client is a prospect for this form of protection and it is one which yields the producer an additional steady income, he stated.

The second lecture will be Dec. 9. A. G. Oakley, vice-president United States Fidelity & Guaranty, will deliver the opening remarks and J. F. Lydon, manager accident and health department Ocean Accident, is to lecture on "The Application."

J. S. Turn, vice-president Aetna Life, will open the third lecture Jan. 13 and Logan Bidle, chairman manual committee Bureau of Personal Accident & Health Underwriters, assistant secretary, accident and liability department Aetna Life, speaks on "The Manual and Classifications."

T. J. Grahame, vice-president Globe Indemnity, is scheduled to open the fourth lecture, Feb. 17. "Standard Provisions and Claims" will be discussed by R. K. Metcalf, manager claim department Connecticut General Life.

The fifth and last lecture in the series will be opened by W. F. White, president of the club and manager accident and health department Royal Indemnity, and sales talks will be made by various company representatives.

Federal Pushing New Form During Policyholders' Month

The annual policyholders' month and 35th anniversary campaign are being combined by the Federal Life in November, with special awards to agents for production and service to clients. Plans are being tentatively shaped for the agents' convention which probably will be held late in January.

A contract just announced by the Federal and being pushed in the campaign is the hospital, nurse, surgical and x-ray indemnity policy, which is issued ages 16-54 for men, 16-44 for women, on selected risks. The coverage is up to \$100 for surgery involved in entering abdominal cavities for diagnosis or treatment, \$25 to \$75 amputation, \$5 to \$35 dislocation, \$10 to \$100 excisions, \$35 to \$75 treatment of fractures, and \$5 to \$100 for other surgical operations. There is provided \$5 daily for hospital residence and \$5 daily for nurse service. Premiums are \$24 for men ages 16-49, \$32 ages 50-54 and \$30 for women ages 16-44.

Thomas Agency Meets

The Wm. L. Thomas agency at Los Angeles for the Massachusetts Bonding's accident and health department held a dinner-meeting. Louis A. LaVoie, new agency supervisor, talked on "The Real Value of Accident Insurance." Mr. Thomas discussed past and future business prospects. L. E. Doyle, claim adjuster discussed cooperation of his department with the agent in the field; R. R. Frank, leading producer in October talked on "How I get the signature on the dotted line." J. Y. Hutchison was toastmaster and talked on accident insurance salesmanship.

Aetna Casualty Schools

The Aetna Casualty has announced the dates for its schools to be held in 1936, its fifth school year. The dates are Jan. 6-Feb. 8; Feb. 24-Mar. 28; Apr. 13-May 16; May 25-June 27; July 27-Aug. 29; Sept. 28-Oct. 31; and Nov. 16-Dec. 19.

Two New General Agents

The Massachusetts Accident, commercial department, has appointed two new general agents: Walter De C. Moore, Jr., at Portland, Me., and Herman H. Davis, Nashua, N. H. Mr. Moore has

Wisconsin High Court in Criticism of "And/or"

MADISON, WIS., Nov. 20.—And/or is an ambiguous, Janus-faced verbal monstrosity in insurance policies, an opinion written on the decision of the supreme court in the case of the Employers Mutual Liability of Wisconsin vs. Oscar Tollefson, C. D. Brower, and the Standard Accident, holds. Justice Fowler criticised the frequent ambiguity often appearing in contracts and even in state statutes, due to this cause.

He said that "and/or" was neither word nor phrase, "the child of a brain of someone too lazy or too dull to express his precise meaning, or too dull to know what he meant; now commonly used by lawyers in drafting legal documents, through carelessness or ignorance or as a cunning device to conceal, rather than to express, meaning with a view to furthering the interests of their clients."

L. K. Power Has New Post

LANSING, MICH., Nov. 20.—Commissioner J. C. Ketcham this week announced the resignation of L. K. Power from the department's examining force. Mr. Power left the department to become assistant to the secretary-treasurer of the National Casualty, Detroit. He has been a department examiner for the past eight years. He was honored by his fellow employees who presented him with a desk set. Commissioner Ketcham indicated he would wait a few weeks before naming a successor.

Maroney with Glens Falls

Joseph E. Maroney, who has been traveling for the Norwich Union Indemnity in Minnesota, has joined the Glens Falls Indemnity in that state as special representative. The Norwich Union Indemnity is curtailing its activities in that field. Before going to Minnesota, Mr. Maroney was located in the Norwich Union Indemnity office in Chicago. His new headquarters will be with State Agent M. W. White of the Glens Falls in the Endicott building, St. Paul.

Churm Gives a Talk

V. B. Churm, assistant superintendent of the engineering department, automobile safety division at the head office of the Continental Casualty, spoke this week before the Toledo Association of Claim Men. L. O. Lewis is president and M. R. Bergman acted as chairman of the meeting.

been in insurance for 14 years and is a graduate of Bowdoin college. Mr. Davis has been conducting an agency in his city and has been in the business for 15 years. He is well known in political circles in New Hampshire.

Large Increase

An October increase of 375 percent is reported by the Massachusetts Accident's Rhode Island agency under General Agent Clifton I. Reading. The first ten days of November exceeded the October record.

Milwaukee, Minnesota Parleys

About 30 agents of the Mutual Benefit Health & Accident and United Benefit Life of Omaha, attended a meeting at Milwaukee, called by State Manager N. O. Knudson.

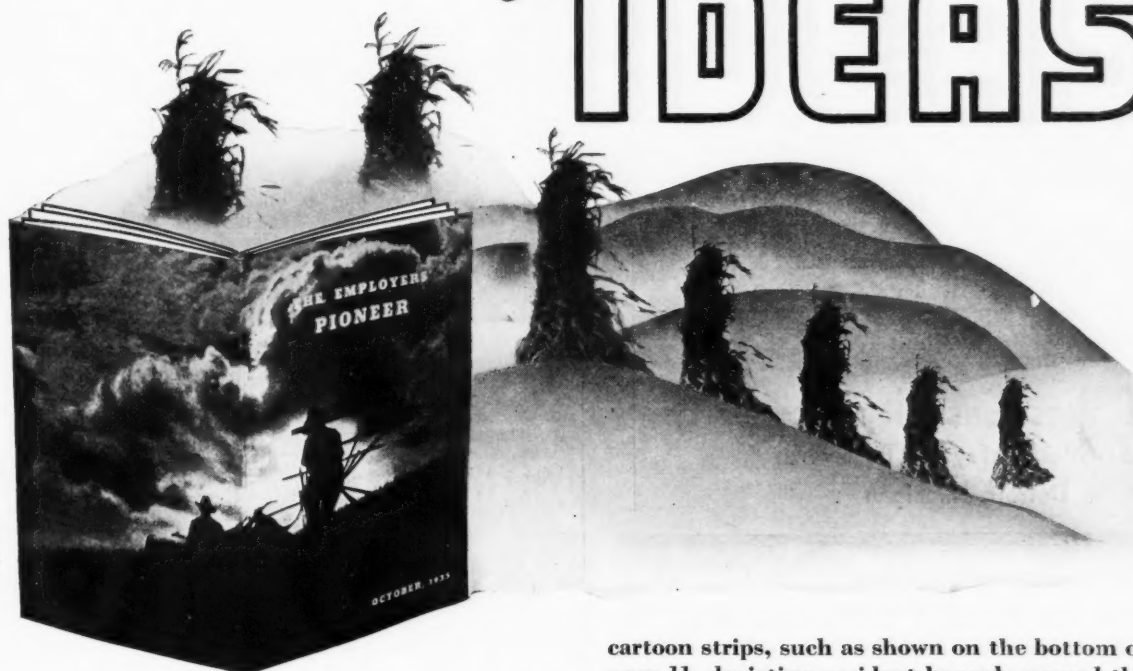
D. M. Brovan, superintendent of agents from the home office, was the principal speaker. He then went to Minneapolis to address a meeting called by Charles R. Kate, Minnesota manager.

Accident Notes

Arvel W. Deann has been named district manager at Ogden, Utah, for the United Benefit and Mutual Benefit Health & Accident.

The Mutual Benefit Health & Accident of Omaha has been licensed in Prince Edward Island.

A crop of IDEAS



THE insurance man who reaps a harvest of premiums is he who has ideas . . . the more and the better the ideas, the richer the harvest. And so we offer you the October issue of The Employers' Pioneer.

Which one of the many ideas you will find between its covers, will be of the greatest assistance to you, is hard to say. Perhaps you're interested in fidelity and surety bonds. Articles concerning bonds required in court proceedings, probate bond underwriting and something about public official bonds are all in the October issue. Income insurance, residence liability, residence boiler and a few thoughts on fire and accident prevention may also be found in this issue. We call your particular attention to the article "Nine Old Men." It doesn't concern itself primarily with insurance, but the wise insurance man will find it helpful when discussing present day conditions with prospects or policyholders.

Note, too, the very short article at the bottom of page 7. It shows one way in which the Pioneer might prove helpful to you. And we'd like a little help from you. Do you think a series of

cartoon strips, such as shown on the bottom of page 11, depicting accident hazards around the home and elsewhere would prove effective if distributed to the general public? We would appreciate an expression of opinion from you on this subject, but of course you'll have to see the October issue first.

To get your copy, address your request to the Publicity Department, 110 Milk Street, Boston. There is no obligation on your part in making such a request.

The Employers' Group, publishers of The Employers' Pioneer, includes The Employers' Liability Assurance Corporation, Ltd., (the world's pioneer in liability insurance) The Employers' Fire Insurance Company and the American Employers' Insurance Company. It writes practically every kind of insurance except life, including fidelity and surety bonds, and the Pioneer naturally is a reflection of its activities.

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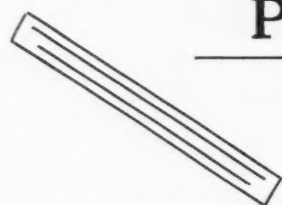
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SURPLUS—It is rather unusual for an Insurance Company to have a Policyholders Surplus greater than its Liabilities, and Admitted Assets more than twice all Liabilities.

An Important Item — Seldom Considered.

**ILLINOIS CASUALTY
COMPANY**

J. L. PICKERING, President

SPRINGFIELD

Exclusively Automobile Insurance

WORKMEN'S COMPENSATION

Surcharge Protest Hearing

**Commissioner Carpenter of California
Has Up the Subject of Rates on
Dust Industries**

Commissioner Carpenter of California called a hearing of representatives of insurance companies on account of a protest against the adoption of any surcharge for compensation rates on classifications supposedly subject to silicosis and other dust diseases. Both employers and employees appeared at the hearing. Attorney D. W. Burbank represented the California Inspection Rating Bureau. Those representing industries declared that silicosis was not a problem in the state while labor leaders admitted there was some in certain types of occupation and asked that a remedy come through strict prevention laws, calling on industry to cooperate more effectively with labor in obtaining such measures. There were some rather vigorous attacks on the insurance companies and it was stated an attempt might be made to bring about a monopolistic compensation fund in the state. The plan submitted by the inspection bureau would permit a refund of the surcharges at the end of the policy year, if there were no dust claims made.

Mr. Carpenter agreed to hold a hearing in Los Angeles within the next few weeks. He stated he would take under advisement the request of several to withhold any decision until further hearings are held, preferably in another 90 days. In consenting to give consideration to this request, however, he urged those who claimed to be working on special data to substantiate their claims, to file this information as quickly as possible.

The surcharges range from 84 cents to \$28.07 for silica grinding.

Brokers Complain to Pink of Disease Commissions

NEW YORK, Nov. 20.—Dissatisfied with the commission allowed them on premiums to be collected under the disease amendment to the compensation law which became operative Sept. 1, the various brokers associations of this city have protested to the department, and will be given a hearing by Superintendent Pink here Friday.

When the companies were allowed tentative rates for the additional dust disease, the acquisition cost conference determined the percentage commission to be allowed general agents, policy writing borough agents in this city and brokers. The latter maintained that the allocation was unfair to them, and made known their objections to the company managers. While the latter listened attentively to the complaint, no change in the scale was made and the brokers have decided to present their case to the department, and urge it exert its influence in their behalf.

Various Illinois Interests Confer on New "O. D." Bill

Representatives of labor and manufacturing in Illinois met this week in the offices of the industrial commission, with representatives of insurance interests as observers, in an effort to draft an occupational disease bill behind which all the interests can throw their support. It is hoped to have the measure passed in the special session of the legislature now being held. Another meeting will be held Nov. 29, when it is believed the bill may be shaped up ready for introduction in the assembly.

The Illinois Manufacturers Association prepared a suggested bill submitted

in the last legislature, and labor interests had an all-inclusive bill. Neither passed.

P. J. Angsten, chairman of the industrial commission, said it is proposed that diseases be directly traceable to the employee's occupation, with a reasonable presumption that it arose in course of employment. The proposed new section, he said, will not be a part of either the compensation or industrial safety act. It is hoped that it will dispose finally of the puzzling question of the status of claims of this type. It is planned not to make the bill retroactive, thus it would have no effect on pending cases.

Julian Holds Hearing on Alabama Compensation Rates

BIRMINGHAM, ALA., Nov. 20.—Arguments for and against a 15 percent increase in Alabama compensation insurance rates as proposed by the National Council on Compensation Insurance were heard by Frank N. Julian, state insurance superintendent at a hearing here. The new rates are to become effective Jan. 1, concurrently with Alabama's new compensation law which increases benefits to workers approximately 25 percent.

It was brought out at the hearing that the actual average increase in rates in Alabama will only be 6.7 percent, since the national council has granted the state an 8.3 percent cut due to experience. However, representatives of industry entered protests against any increase at all and particularly objected to the plan where the decrease in rates due to experience does not become effective to the expiration of policies now in force while the 15 percent increase is approved by Superintendent Julian becomes effective Jan. 1 on all business including that in force. A threat was also heard that some of the larger industries might carry their own insurance. The proposed increase was taken under advisement by Mr. Julian.

Will Hear Protests

NEW YORK, Nov. 20.—Employers from all parts of New York will attend the meeting tomorrow evening in this city arranged by a joint committee of insurance brokers wherein protests will be heard against the medical practices and occupational disease amendment to the workmen's compensation law passed by the last legislature. The joint committee of brokers is composed of representatives of five brokers associations of Greater New York. L. A. Wallace of Johnson & Higgins is chairman and H. W. Schaefer, vice-chairman.

Premiums Will Show Increase

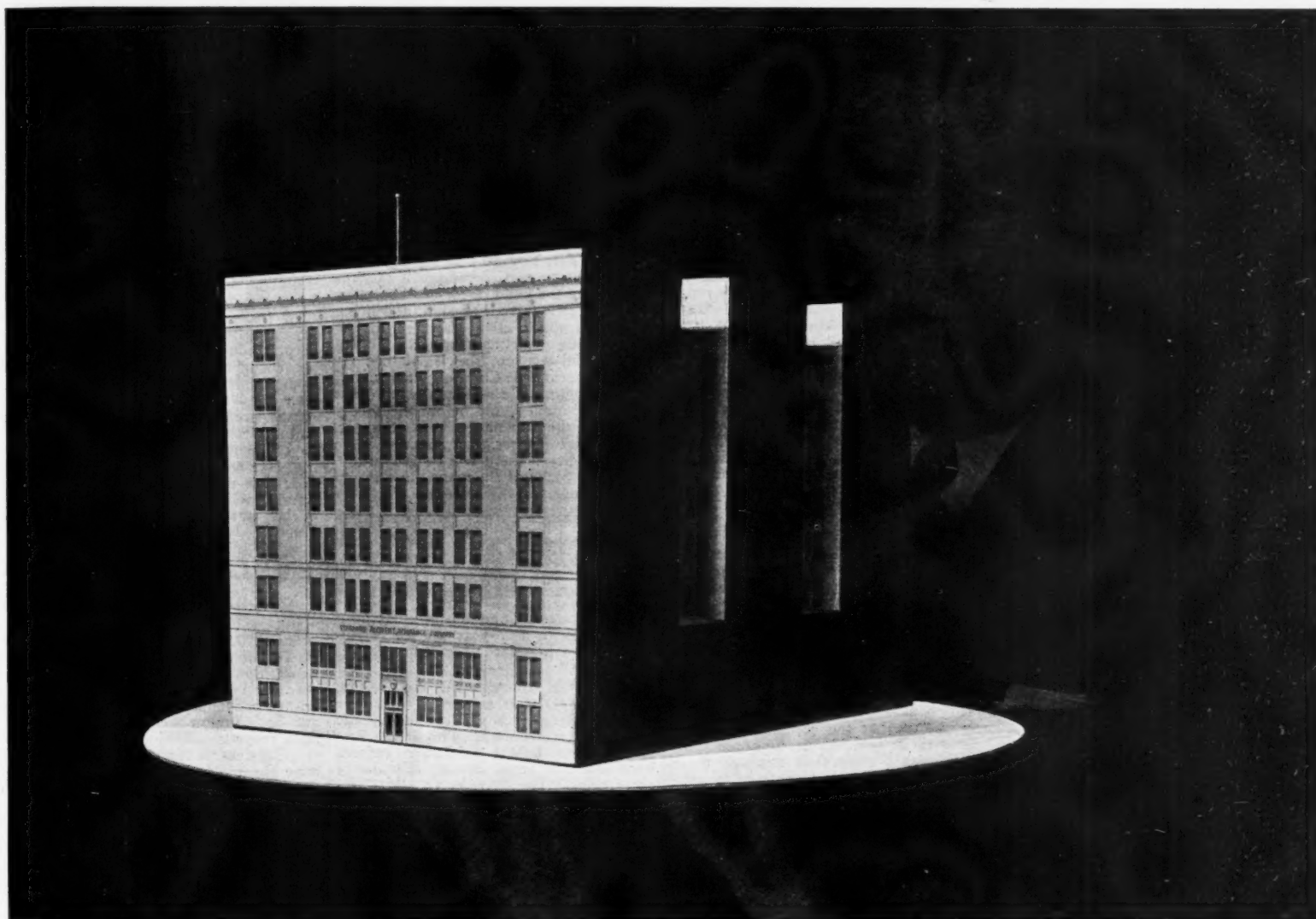
Workmen's compensation premiums will show quite an increase this year due to the fact that payroll audits have developed additional sums up and down the line. This has been particularly notable in 1935 showing that more people are at work and probably some wages are higher. This will be a welcome addition to the compensation premiums.

Silicosis Verdict for \$5,000

Mrs. Augustine Cleveland, St. Louis, was awarded a judgment for \$5,000 by a jury in the circuit court there in a suit against the Laclede Christy Clay Products Company for the death of her husband as the result of silicosis alleged to have been contracted while he was employed by the company.

S. A. Olsness Made Director

S. A. Olsness, former North Dakota insurance commissioner, has been elected a director of the Western Mutual Life of Fargo, A. R. Bergesen, Fargo, president, announces.



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FIDELITY AND SURETY NEWS

Government Contract Bonds

Underwriters See the Need of Studying Specifications Carefully Before Making a Bid

NEW YORK, Nov. 20.—Surety companies are now receiving considerable contract business from the southern states on government work especially under the PWA. Inasmuch as the contractors are forced to employ workmen from the relief rolls, agreeing that for every \$1,000 of compensation received to employ one man for 1,500 hours, a surety underwriter is careful in scrutinizing specifications and bids. Contractors are obliged to take 90 percent of their help from relief rolls. Furthermore, in order to give as many people work as possible, the relief men are divided into shifts so that different crews are working at different times on the same project. Nearly all the labor is unskilled. Hence the work under this category naturally does not comprise any project requiring skilled workmen.

The whole proposition means that contractors must revert to old methods and discard modern machinery in excavating, digging, handling material, etc. This has to be done by hand. If the contractor is sure of his position, surety companies do not hesitate to issue bonds. However, it is found that some inexperienced contractors are endeavoring to get part of this government work and naturally their status has to be very carefully scrutinized. Surety underwriters declare that danger exists where blue prints of specifications do not disclose the character of the underground because no tests have been made.

Have No Experience

While for the time being most of this government work comes from the south, it is only a question of a few weeks until the PWA gets busy all over the country. Surety underwriters are not afraid of old time contractors who are seasoned and who know their work well.

Attention is called to the fact that a great number of present day contractors have no experience in doing construction work as was carried on many years ago. The plan called into play by giving those on relief employment means the use of pick, shovel and wheelbarrow. Therefore contractors in estimating their cost have to take into consideration these methods in which they have had no experience. At home offices the underwriters also are confronted with this same new problem. Surety companies are watching especially the newer contractors or those of rather limited resources who may not take into consideration the new factors now in government contracts.

Some of the companies find that on smaller government contracts, particularly on postoffice building construction, the losses have been many and excessive. It has been out of proportion to the size of the contract and the liability assumed. When these defaults have occurred the contractor claims that he did not take into consideration the new government rules and regulations. Therefore companies are impressing on their field representatives the necessity of recognizing these present conditions, urging that the contractors study carefully the proposals and specifications.

Cash Bond Advocated

ST. LOUIS, Nov. 20.—The Public Service board has received a recommendation from its secretary, Carter Burns, that all taxicabs operating in St. Louis be permitted to post cash deposits for protection of patrons instead of being compelled to take out liability insurance policies or to post surety bonds as now required.

Smrha Starts an Inquiry

Believes No Law Broken in Distribution of Bond Commissions by State Department

LINCOLN, NEB., Nov. 20.—Following disclosures in the report of the special committee that has been auditing and investigating operation of the receivership division of the state banking department that commissions on bonds for receivers and assistants had been distributed to designated agents regardless of their connection or lack of connection with writing the bonds, Insurance Director Smrha started an investigation of his own to determine whether this practice violated the law prohibiting splitting commissions. E. H. Luikart, head of the receivership division, during part of the time was titular head of the insurance department.

Mr. Smrha believes no violation of law resulted from the practice. The facts disclose bonds were written on direct negotiations between the banking department and companies. Under the law prohibiting rebates the department could not receive the commissions, and so designated various private individuals, usually bond agents, to receive them.

Commissioner Smrha's View

"Unless such commissions were allocated to the communities where the failed banks were located," said Mr. Smrha, "so that the commission would benefit those communities in some manner, it would seem that some of these commissions were paid contrary to public policy, but there is no law against it."

If the recommendations of the senate committee are followed suits will be filed on the bonds of several officers of the receivership division for recovery of excess salaries paid and also for alleged losses in sale of part of assets of failed state banks without court order.

Chicago Surety Men Hold Forth in Annual Revue

The annual meeting of the Surety Association of Chicago Tuesday evening was stripped as closely as possible of interruptions of business or oratorical nature, the important feature being a high-stepping floor show.

R. E. Hall, Ocean Accident, reported as secretary-treasurer, between the fruit cup and the consommé, while W. O. Schilling, U. S. F. & G., reported for the nominating committee and the elections were held between the consommé and the turkey. W. W. Steiner, U. S. Casualty, the outgoing president, presided as best he could.

It was really B. J. Nietschmann's evening. He had engaged the entertainers and made all arrangements. He is manager of the National Surety.

J. P. Keevers, Maryland Casualty, the new president, was honored by having a home office official witness his coronation, he being B. H. Bratney, vice-president in charge of the surety underwriting and claim departments.

R. E. Hall is the new vice-president; William Wallace, Hartford Accident, is secretary; Mr. Nietschmann, treasurer; E. V. Mitchell, Continental Casualty, general counsel.

The executive committee consists of: J. L. Maehle, American Surety; W. H. Hansmann, Fidelity & Deposit; L. C. Knapp, Great American Indemnity; A. A. Korte, W. A. Alexander & Co.; W. O. Schilling; E. D. O'Donnell, Bartholomay-Darling Co. and W. W. Steiner.

Philadelphia Officers Elected

F. W. Hughes, Standard Accident, was elected president of the Surety Underwriters Association of Philadelphia,

to succeed F. W. Moore, Hartford Accident & Indemnity. Other officers are: T. U. Schock, National Surety, vice-president; S. R. Fanning, treasurer, and J. G. Bauernschmidt, Maryland Casualty, secretary.

Executive committee members are Francis Connolly, Fidelity & Deposit; W. H. Bartley, Maryland Casualty; J. D. Latham, Aetna Casualty & Surety; J. H. King, New Amsterdam Casualty, and Messrs. Moore, Hughes and Schock.

May Call on Sureties

DENVER, Nov. 20.—It appears likely that the state of Colorado will make a demand on the bond of former Secretary of State J. H. Carr if an audit now being conducted discloses a shortage in the state liquor department records. Called into special session, the legislature recently impeached Carr on charges of conspiring to settle liquor revenue debts by "hush" money, and before the senate could try the secretary on the charges, he tendered his resignation. The state auditor believes there will be a shortage of around \$4,000 if the audit, ordered by the governor, proves correct.

PERSONALS

D. D. Spitzer, Columbus, O., has been presented with a 25-year service certificate by the Standard Accident.

The C. E. Rickerd Advertising Agency of Detroit is named to handle the marketing and advertising of the new miniature camera. This is the first all-American 35MM miniature camera with enlarger, projector and full line of accessories. The "Argus Candid Camera," the new precision made miniature, will sell for \$12.50. It is possible to load and unload this camera in daylight and anyone can take snapshots, even interior scenes, and project them in natural full colors.

George L. Waters, president of the National Assurance of Lincoln, Neb., is recovering from a major operation following injuries received in an automobile wreck.

Harold Hammond, traffic manager of the National Bureau of Casualty & Surety Underwriters, has been elected secretary-treasurer of the Institute of Traffic Engineers, the official headquarters of which have been established at the National Bureau offices.

J. P. Gibson, head of the Excess Underwriters of New York, has returned from a 10-day business visit to the middle west. He visited Des Moines, Milwaukee and Chicago and passed a week end at his family home of New Lisbon, Wis.

G. F. Ballou of New York, who is president of the Autoist Mutual of Chicago, was in Chicago this week visiting General Manager E. E. Hielscher. Mr. Ballou makes a trip to the head office two or three times a year.

Special and general agents of the American Surety in the Iowa territory will observe the completion of 30 years' service by Manager Frank H. Noble Dec. 2.

Sam A. Markel, president of the American Fidelity & Casualty of Richmond, Va., which specializes in the writing of motor vehicle risks, is convalescing following a recent surgical operation.

Mike M. Moss, former executive vice-president of the old Union Indemnity at New Orleans, and formerly vice-president of the Hartwig-Moss Insurance Agency of that city, has been indicted by the federal grand jury for conspiracy to defraud the federal government by "impairing, obstructing and defeating" lawful functions of the Treasury department

and the Bureau of Internal Revenue and for conspiracy to defeat the payment of large sums of income tax due the government from Mr. and Mrs. Seymour Weiss and the Hartwig-Moss Insurance Agency. The indictment also includes Mr. Weiss and Joseph C. Meyers. Government officials declare that Mr. Moss is operating a cattle ranch in Arizona. Mr. Meyers was a local agent.

It is charged in the indictment that in 1928 the defendants entered into a conspiracy whereby Mr. Weiss, who is alleged to have had great control and influence with the Louisiana highway commission was to require the commission to compel all contractors for the building of public roads to secure their bonds from the Hartwig-Moss agency in return for which Mike Moss and J. C. Meyers of the agency would compel the corporation to pay Seymour Weiss 20 percent of the premium of the bonds. It is charged that the bonds were secured from the Union Indemnity and that part of the premiums were paid Mr. Weiss and a part to the Union Indemnity. The government also claims that the books of the Hartwig-Moss Agency were falsified; that the agency returned false and fraudulent income tax reports. Seymour Weiss was a high official in the late Huey P. Long dynasty.

Hitch Occurs in Liquidation of Builders Mutual Casualty

MILWAUKEE, WIS., Nov. 20.—G. F. Haydon, manager Wisconsin Compensation Rating and Inspection Bureau, and R. M. Hoyt, local attorney, arbitrators appointed to hear evidence and decide upon the question of reinsurance responsibility in the liquidation of the Builders Mutual Casualty, met and have the matter under consideration. If they fail to agree, they will select a third party to act as final umpire.

Claims of \$150,000 against the defunct company are subject to their ruling. The Builders Mutual Casualty re-insured with the Security Mutual Casualty of Chicago by which the latter agreed to protect excess insurance losses to 85 percent in compensation claims and 75 percent in casualty claims. The former company was unable to keep up its retention payments and the Security Mutual Casualty now maintains it cannot be held responsible for losses unless the amount due it is paid.

The reinsurance contract provided that any question arising over the liability on the contract should be settled by arbitration, according to Commissioner H. J. Mortensen.

New Sudden Death Book

Distribution of the 58 page volume, "Sudden Death and How to Avoid It," recently published, will be made by Hartford Accident & Indemnity agents.

The first section of the book consists of a reprint of "—And Sudden Death" by J. C. Furnas. "Better Off Dead" is the title of the second section, also by Mr. Furnas, not previously published. The third section is called "How to Avoid Automobile Accidents" by E. N. Smith, American Automobile Association.

Slander Is Charged

BELLEVILLE, ILL., Nov. 20.—A slander suit for \$100,000 damages has been filed in the St. Clair county circuit court against the Franklin Mutual by Louis Beasley and Edward C. Zulley, East St. Louis attorneys. The attorneys in their petition charge they represent an East St. Louis woman in a damage suit against the Economy Cabs, and that a claim agent for the insurance company visited their client and advised her to settle the suit out of court, saying that if the case was settled in court her lawyers would take every cent of the award and leave her nothing. The woman refused to settle the claim and reported the alleged conversation with the claim man to her attorneys. The slander suit followed.

See London Lloyds As Plunging Here

(CONTINUED FROM PAGE 31)

when such a contract was highly valued and used with discrimination.

Now that the competition is becoming so fierce and Lloyds contracts are being held so widely in this country, some observers express the belief that the tradition of London Lloyds representation is disappearing. Some of the brokers in this country are said to be playing their Lloyds connections for all they are worth, putting the best face on every risk and, if not actually misleading Lloyds, failing to present the risk in a realistic fashion.

The competition among groups of Lloyds themselves is intense. In the past a quotation from London was final. Now there may be several quotations on the same risk and the bids may vary radically. This competition is leading to the payment of increased commissions to brokers by London Lloyds.

Some expound the theory that Lloyds is in reality betting on the recovery of the United States and is more optimistic in that regard than Americans themselves. Lloyds has a world perspective. They may have decided that the big opportunity is the United States and that business can be safely taken here without too searching inquiry.

Uses Company's Policy

A short time ago one of the mid-western stock companies which writes bus insurance was paid 10 percent commission for the use of its policies by one of the Lloyds representatives and the business reinsured 100 percent in Lloyds. Another midwestern stock company was approached by an individual claiming to represent a Lloyds group and asked to write some Missouri taxicab business which was to be reinsured 100 percent in Lloyds. The official of this company agreed to write the business if Lloyds would put up the reserves and give him a written agreement. The representative agreed verbally, but did not wish to sign a written agreement.

A while ago a middle west mutual wished to make a reinsurance contract with Lloyds, and one of the conservative brokers finally arranged a contract. Before the papers could be signed, another Lloyds group made a considerably lower bid on the business and the first group withdrew. The broker was informed that the other group had submitted the bid on incomplete information contained in a cablegram and that it would be obliged to withdraw, so all the negotiations fell through.

Total Lloyds premiums have been estimated at £30,000,000. A Lloyds representative estimates bankers bond premiums in the United States at \$20,000,000, of which Lloyds have an estimated \$3,000,000.

Broader Writing Power Is Favored

(CONTINUED FROM PAGE 31)

Mr. Greene made extensive use of charts showing the trend of the casualty business compared with the trends of other significant factors in the national economic picture.

The old age pension feature and the state unemployment compensation acts provided for in the social security act appear to be unconstitutional under the principles laid down by the U. S. Supreme Court in its decision holding the railroad retirement act unconstitutional, said C. W. Hobbs. Also, the federal unemployment compensation feature of the act appears to be unconstitutional on the principles established in Hill vs. Wallace, 259 U. S. 44, to effect that the United States cannot use its broad powers of taxation for the purpose of effecting a regulation of industry which is beyond its constitutional power, said Mr. Hobbs.

Viewing the problem on grounds of

"natural justice," Mr. Hobbs made the point that while there is some causal relation between industry and the hazards insured against in workmen's compensation, there is no such relation at all in the case of old age and only in certain instances in the case of unemployment. The most prevalent cause of unemployment, namely, periods of alternate over-production and under-production, is due, he charged, not to the employment, but to the policy enforced upon business by the United States through its anti-trust laws. There is then, he asserted, a measure of injustice in taxing the employer solely, in view of the fact that he has provided means which have operated to reduce unemployment and to prevent workers from becoming public charges, and in view of the further fact that the real benefits accrue to the employee and to the state at large, his own benefits being extremely hypothetical.

A method for accurately allocating inspection costs by lines of insurance for a multiple line casualty company was described by H. V. Waite, statistician, Travelers. Since inspection expenses are incurred through the field at points widely separated and since a considerable proportion of the salaried force is on the road, an accurate distribution of inspection cost to line of insurance presents a difficult and complicated problem. The basic unit under this plan is the average number of minutes required to make the numerous kinds of inspections for each line of insurance.

Times Study Records

These averages are developed from results obtained from a time study which requires all inspectors to keep an accurate record of their time over a selected period. The cost for each line can be further split up according to different activities of the inspector, such as travel, writing reports, etc., for each line of insurance. Mr. Waite explained the necessity for keeping costs for the various classes of risks within a given line of insurance so that allowance can be made for change in distribution of business in future years, and also indicated how costs by size of risk can be obtained for compensation and automobile fleet insurance.

A. G. Smith, assistant general manager and actuary, New York compensation rating board, described the background of the recently effective occupational disease cover in New York state. Future problems under this act include schedule rating of dust hazards, correction of rate relativity and determination of proper rate levels based on actual experience, he said.

Paper by Mark Kormes

Mark Kormes, associate actuary, New York compensation rating board, presented Part II of a paper entitled "The Experience Rating Plan as Applied to Workmen's Compensation Risks," and expressed the hope that it would "permit not only the actuary but also the underwriter or other company executive harassed by the inquiries from brokers or assured to consult its pages for an elementary (as far as possible) explanation of a particular question relating to experience rating."

M. H. McConnell, Jr., National Council, presented a paper on group rate levels in compensation insurance.

Officers Are Re-elected

All officers were re-elected. They are: President, W. W. Greene, vice-president and secretary, General Reinsurance; vice-presidents, R. H. Blanchard, professor of insurance, Columbia university, and Charles J. Haugh, actuary, National Bureau of Casualty & Surety Underwriters; secretary-treasurer, Richard Fondiller, Woodward & Fondiller, consulting actuaries; editor, C. W. Hobbs; librarian, William Breiby, Fackler & Breiby, consulting actuaries.

The following were elected to the council for three-year terms: A. Z. Skelding, actuary, National Council; S. D. Pinney, associate actuary, casualty department, Travelers; and W. J. Constable, of Boston, resident secretary, Lumbermen's Mutual Casualty.

Seeks Elimination of Agent from Act

(CONTINUED FROM PAGE 31)

The brief points out there is dominant in the unemployment insurance act, the principles inherent in the workmen's compensation act, that laborers, workmen, employes, servants, wage earners and workers-for-hire, subject to unemployment hazards beyond their control, shall be afforded a measure of social security by the state. The agent is usually a substantial business man, and never a company employe.

Several citations were given of cases where insurance agents have been held independent contractors insofar as workmen's compensation is concerned.

While the position of the fire and the marine companies on the question has not been outlined, it is expected J. H. Doyle, general counsel of the National

Board, will file a brief on behalf of both interests with the District of Columbia commission within a few days. Absence from town prevented his doing so earlier.

Should the commission rule that insurance companies must contribute to the fund on behalf of their agents as well as for salaried employes, the cost will be staggering. Not alone will the tax call for large annual contributions per company, but the expense of keeping track of the sums due each state, will require the employment of a special staff.

The average local agent represents anywhere from one to a dozen companies, and changes in agency representation occur constantly, creating an added difficulty in recording the tax contribution.

With franchise tax, premium tax, state and municipal, profits tax, social security and unemployment fund tax the exchequers of the companies will suffer a heavy drain.



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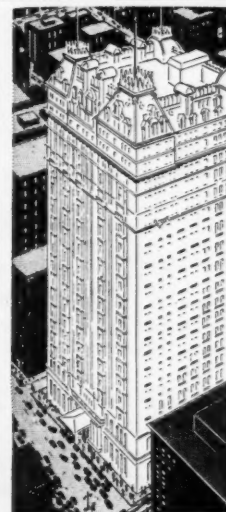
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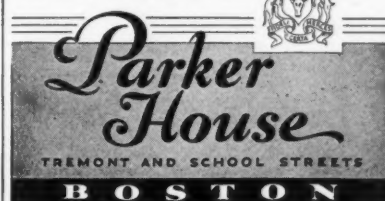


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